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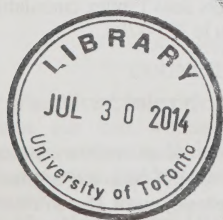
Lundi 21 juillet 2014

Standing Committee on Finance and Economic Affairs

Building Opportunity and
Securing Our Future Act
(Budget Measures), 2014

Comité permanent des finances et des affaires économiques

Loi de 2014 ouvrant des
perspectives et assurant notre
avenir (mesures budgétaires)



Chair: Soo Wong
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LEGISLATIVE ASSEMBLY OF ONTARIO

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON
FINANCE AND ECONOMIC AFFAIRSCOMITÉ PERMANENT DES FINANCES
ET DES AFFAIRES ÉCONOMIQUES

Monday 21 July 2014

Lundi 21 juillet 2014

*The committee met at 0900 in room 151.*BUILDING OPPORTUNITY
AND SECURING OUR FUTURE ACT
(BUDGET MEASURES), 2014LOI DE 2014
OUVRANT DES PERSPECTIVES
ET ASSURANT NOTRE AVENIR
(MESURES BUDGÉTAIRES)

Consideration of the following bill:

Bill 14, An Act to implement Budget measures and to enact and amend various Acts / Projet de loi 14, Loi visant à mettre en oeuvre les mesures budgétaires et à édicter et à modifier diverses lois.

The Vice-Chair (Mr. Peter Z. Milczyn): I will call this meeting of the Standing Committee on Finance and Economic Affairs to order. Good morning, everybody. You'll be kind to me today, I hope, since this is my first time chairing a meeting here.

I'd like to welcome everybody to the meeting, which has been ordered by the House. As ordered by the House on Wednesday, July 16, we are assembled here today to hold public hearings on Bill 14, An Act to implement Budget measures and to enact and amend various Acts. This committee is authorized to sit today from 9 a.m. till noon and from 1 p.m. to 4 p.m. Each witness will be offered 10 minutes for their presentation, followed by six minutes for questions from committee members, two minutes per caucus. The order of questioning for the first deputant will be the official opposition, the third party and then the government. Then we will continue in that order, going clockwise, moving on to the third party, government and official opposition.

Are there any questions? No?

NATIONAL AIRLINES
COUNCIL OF CANADA

The Vice-Chair (Mr. Peter Z. Milczyn): I'd to welcome our first witness, Mr. Marc-André O'Rourke, executive director, National Airlines Council of Canada. If you could just say your name and your title for the record.

Mr. Marc-André O'Rourke: Absolutely. I'm Marc-André O'Rourke, executive director of the National Airlines Council of Canada.

Mr. Vice-Chair, members of the committee, bonjour, good morning. Thank you very much for the opportunity to be here today and to present on Bill 14. I'm here to discuss the aviation sector's concern with the proposed 148%, four-cent-per-litre increase to the province's aviation fuel tax over the next four years. I'm here on behalf of the aviation industry but, as you'll hear today, you'll hear from other sectors as well that also have concerns with this bill.

My name is Marc-André O'Rourke, executive director of the National Airlines Council of Canada. The NACC represents Canada's four major passenger airlines: Air Canada, WestJet, Air Transat and Jazz. We advocate for safe, sustainable, secure and competitive air travel to ensure that Canadians have the best and most affordable flying experience, both within Canada and abroad. We are the largest airline users of Ontario's airports. Collectively, our members carry over 50 million passengers per year and directly employ over 43,000 people.

At the outset, it's very important to state that the member airlines of the NACC are very proud of the investments we make in Ontario and our contribution to the province's economy. Our industry is doing its part to grow Ontario, and we hope to continue to hire more people, make more aerospace purchases and expand services in the coming years. This requires a stable economy, a competitive tax environment and a partner in a government committed to the health of this dynamic sector. Sadly, unfortunately, the proposal to increase the aviation fuel tax is inconsistent with this objective.

Today, I want to share some information with you on how increasing the aviation fuel tax by 148% will harm Ontario's economy across many vital sectors and how Ontario communities, consumers and businesses all across the province, from Toronto to the southwest, the Ottawa region and the north, will all be negatively affected.

First, I would like to illustrate how the aviation sector in Ontario is already in a disadvantaged position in comparison with the rest of Canada, the US and, in fact, the world.

At the existing rate of 2.7 cents per litre, Ontario is out of step with most provinces and competing US jurisdictions. Ontario already has one of the highest taxes on aviation fuel and is one of the only jurisdictions in the world that still imposes an aviation fuel tax on international flights.

British Columbia is an interesting case study. In 2012, as part of its jobs action plan and despite facing very difficult budget constraints, the British Columbia government actually decided to eliminate its fuel tax on international flights to attract new services and create new jobs. It seems to be working. Since then, it is reported that 22 airlines have added flights to Vancouver, which brings new jobs and economic activity. In fact, the British Columbia government has indicated that the initial loss of revenue, which, in their case, was about \$12 million, has been significantly superseded by an estimated \$20 million in new payroll and consumption taxes in the first year alone. The proof is in the pudding.

If Ontario's aviation fuel tax goes up by 148%, as proposed, the consequences for the province's economy will be significant. Dr. Fred Lazar, of the Schulich School of Business at York University, has estimated that the fuel tax increase could result in a decrease of up to \$97 million in GDP for the province. This tax increase could also mean a loss of more than 2,000 jobs and 400,000 air travellers in Ontario. By 2030, the catalytic effect of this four-cent increase could cost the province up to \$1 billion in lost GDP.

The air travel sector is an economic driver and part of a high-value supply chain. Many industries rely on aviation to thrive, including manufacturing, financial services and particularly tourism. That is why important groups such as the Ontario Chamber of Commerce, which you'll hear from this morning, the Canadian Airports Council, which is also here this morning, the Conference Board of Canada, the Tourism Industry Association of Canada and the Association of Canadian Travel Agencies have come out in strong opposition to this increase.

Over the past 20 years, the aviation sector has repeatedly been told by governments that a given fee increase or a tax or the imposition of a new charge will only add a small amount to the airfare and will have no impact on demand. This approach of continuously adding charges and fees has resulted in Canada having the dubious distinction of being one of the least competitive jurisdictions in the world when it comes to high third party taxes and fees. This is according to the World Economic Forum, which ranked Canada 136 out of 140 countries in 2013. As such, it's unrealistic to believe that such taxes and fees can continue to be added without them having a significant impact on demand and the economy.

Now, we don't need to look much further than the jobs and dollars that are lost because of the three million Ontarians and more than five million Canadians who choose to drive across the border and fly out of US airports. Increasing this fuel tax will only exacerbate the leakage of jobs and economy-stimulating spending to the US.

Higher fees are pushing families in southern Ontario across the border, but the problem is also very real in northern Ontario. The Thunder Bay airport already loses up to 40,000 Canadian passengers a year to airports in Minnesota. In Sault Ste. Marie, the estimate is between 30,000 and 45,000 passengers. The increase in the fuel

tax will make the problem worse for people and businesses in the north.

Even the small town of Ogdensburg, New York, is taking advantage of the situation. Ogdensburg, which is a town of less than 12,000 people but—this is the key—less than an hour's drive from Ottawa, is aggressively pursuing plans to expand their runway and expand their passenger terminal. They're doing this to attract new airlines and new destinations. It's safe to say—and the airport has made no bones about this—they are out to attract the over one million potential passengers in the Ottawa region.

Although the entire Ontario aviation and travel sector will suffer from this policy, I want to speak to the specific impacts on Toronto Pearson, given its nature as a major hub.

As Canada's largest and busiest airport, Toronto Pearson directly supports over 40,000 jobs. The airport is not only in competition with Buffalo, Niagara Falls and Detroit, but other international gateways like New York's JFK airport, Chicago's O'Hare, Newark Liberty, and the list goes on. Passengers have a choice when deciding where to fly from and where to connect to flights beyond. Higher taxes and fees in Ontario means that Toronto will lose out on more passengers and flights, and the well-paying jobs that these flights support.

0910

We believe the case is clear that increasing the aviation fuel tax by 148% is inconsistent with the interests of Ontarians, as it will hinder job creation, economic growth, trade, and the development of Ontario's vital travel and tourism sectors. The government has stated, and we know, that the government is committed to jobs, growth and keeping Ontario's recovery on course. As such, we ask the government and this committee to defer implementing the aviation fuel tax increase until a full study of its economic and other consequences can be completed. This would include meaningful consultations, meaningful input from Ontario municipalities, communities, consumer organizations, airports, tourism operators, airlines and other affected parties. Let's take the time to properly understand the consequences of this proposal.

Thank you for your time, and I'm more than happy to answer any questions you may have.

The Vice-Chair (Mr. Peter Z. Milczyn): Thank you, Mr. O'Rourke. Mr. Fedeli, for two minutes.

Mr. Victor Fedeli: Thank you very much. Welcome. You've talked to us a little bit about passenger—you haven't talked to us as much about the private pilots, but I think the biggest concern that I want to hear from you is on the cargo side of it, as well, and your thoughts on how you feel this will affect the cargo industry as well.

Mr. Marc-André O'Rourke: Sure. There's no question that this will affect the cargo aspect of the industry as well. This fuel tax will apply to cargo shippers. But if I may, I also want to talk about the private pilots as well. We are hearing from private pilot associations and from flight schools, those associations, that this tax and the increase are so significant that it is kind of a make-or-

break for a lot of these smaller flight schools and a lot of these smaller operations. So it has this impact across a broad spectrum of not only the larger carriers of our association but the smaller operators and the cargo shippers—absolutely.

Mr. Victor Fedeli: I've read your facts, I've read Dr. Lazar's facts—he talks about 2,907 full-time jobs being affected. He talks about—I think his number was 292,000 air travellers—

Mr. Marc-André O'Rourke: Yes, between—

Mr. Victor Fedeli: I know you mentioned 400,000, the \$97 million in GDP. Why do you think the government is targeting your sector for these new taxes?

Mr. Marc-André O'Rourke: Well, that's the frustrating part. It's hard to understand why we would focus on a sector that is so dynamic. We believe that a dollar invested in or taken out of aviation has a disproportionate effect on the other sectors of the economy. The government has mentioned that this tax increase—

The Vice-Chair (Mr. Peter Z. Milczyn): Thank you for your answer.

Mr. Marc-André O'Rourke: Okay.

The Vice-Chair (Mr. Peter Z. Milczyn): Ms. Forster

Ms. Cindy Forster: Thank you. Good morning, Mr. O'Rourke. Do you see any benefits to this tax, from an environmental perspective, as a way to encourage carriers to reduce their use of fossil fuel, and as such, would you support the inclusion of environmental impact in any studies that you're recommending get done as part of this process?

Mr. Marc-André O'Rourke: We would definitely support studying the environmental impacts. But I do want to take this time—and thank you for the question—because aviation has been incredibly proactive when it comes to their environmental impact. The member airlines of our council have made investments in the hundreds of millions in new airplanes, more efficient engines; we're continuously working with air traffic control authorities and governments to find better ways to make approaches that will burn less fuel. There's an inherent need or reason for airlines to burn less fuel: For most airlines, fuel is the single-biggest component cost. So there is that inherent need to use less of it.

Canada is part of the action plan to reduce greenhouse gas emissions. Aviation has a fantastic record when it comes to reducing environmental impacts, so we would definitely welcome that as part of the study.

Ms. Cindy Forster: You talked about the positive impacts in BC of actually cutting the taxes. Did BC participate in any studies prior to cutting the fuel tax?

Mr. Marc-André O'Rourke: I know that when BC was looking at this, they actually announced in 2010 that they were going to do this in 2012—again, it was part of the Olympics. But they did work with the airports. They worked with the airlines. There was a lot of consultation, absolutely. That's what we would like to see here. Let's see the government work with our industry.

The Vice-Chair (Mr. Peter Z. Milczyn): Thank you for your answer. Mr. Potts.

Mr. Arthur Potts: Yes, hi. Thank you, Mr. Chair, and congratulations, Vice-Chair, on your appointment in your first committee.

Mr. O'Rourke, thank you very much for your remarks. We didn't expect you to be happy coming here, and you haven't disappointed us. We would have been surprised if you had said “thank you.”

You talk about 148%. It seems like a large, large number, and we appreciate that, but if we look at the record, since 1992, there has not been an increase. Compared to other major jurisdictions like Chicago and JFK, we're at 5.7% aviation fuel—or if you compare us to London or Paris, where you're closer to 70 cents and Charles de Gaulle at 54 cents. We are, certainly at Pearson, a world-class airport in a world-class city, but we're not suggesting in any way that we're going to take rates anywhere close to that.

I also want us to be cognizant of the fact that, compared to transportation fuel for regular drivers, gas and diesel, where it's 14.7%, there's a strong equity argument partly from the environmental perspective that an increase in taxes to bring them closer to that would make a lot more sense, considering the fuel efficiencies of airplanes now. And I appreciate the work that's been done in the airlines. You're using less fuel per passenger, which has the effect of limiting the impact per passenger.

You talked about the 50 million passengers you carry. I believe this revenue tool is expected to create about \$25 million in extra fees. The simple math is a 50-cent impact per passenger. I appreciate that you keep adding taxes upon taxes upon taxes, and it makes the case harder, but maybe there are other jurisdictions we should be looking at. The feds have considerably more impact on the ticket prices with the various services fees that they charge and their own rate for aviation fuel. We're not even getting to that in the first year.

If you would like to comment on that, I'd be happy to hear your comments.

Mr. Marc-André O'Rourke: Absolutely. I know the issue of fuel taxes in other jurisdictions and—

The Vice-Chair (Mr. Peter Z. Milczyn): Sorry, Mr. O'Rourke. Mr. Potts, you have to be a little more concise in your question next time.

Mr. Arthur Potts: Maybe you'll get a—

The Vice-Chair (Mr. Peter Z. Milczyn): We do have to move on to our next—

Mr. Marc-André O'Rourke: Yes, because I really want to address the fuel taxes in other jurisdictions. There's a bit of a misunderstanding there.

The Vice-Chair (Mr. Peter Z. Milczyn): Thank you, Mr. O'Rourke, but we do have to—

Mr. Marc-André O'Rourke: Okay.

The Vice-Chair (Mr. Peter Z. Milczyn): You can send it in writing before the end of the day today, please. Thank you.

ONTARIO CHAMBER OF COMMERCE

The Vice-Chair (Mr. Peter Z. Milczyn): Our next witness: the Ontario Chamber of Commerce. Good morning.

Ms. Andrea Holmes: Good morning.

The Vice-Chair (Mr. Peter Z. Milczyn): You will have 10 minutes. For the record, if you could state your name and your position.

Ms. Andrea Holmes: Andrea Holmes, and I'm a policy analyst at the Ontario Chamber of Commerce.

My apologies. We got the invitation on Friday, so my CEO was not able to make it. I'll just run through the presentation quickly and then we can get to some questions.

Just a little about the Ontario Chamber of Commerce, in case you're not familiar: We represent 160 chambers of commerce and boards of trade around the province. We represent around 60,000 businesses. This actually represents two million people employed and around 17% of the GDP. We're Ontario's premier advocate and third-party voice on a lot of regulatory and policy issues facing Ontario businesses.

Going through that, we have a document called *Emerging Stronger*, which is our economic plan for the province. Through that, we have a couple of priorities for Ontario—and they're outlined here—which are: tackling the debt and deficit; creating winning business conditions; bridging the infrastructure gap; and developing the Ring of Fire. Going through the budget, some of those have been addressed but some of them still need to be. We're encouraged by a lot of the new investments in infrastructure but there is still a lot that needs to be done, particularly when it comes to the Ontario pension plan, as well as taxes and creating competitive business conditions for the province.

0920

If you go to the first slide, on tackling the debt and deficit, obviously it increases government spending by \$3 billion for next year. We believe that it requires a more robust plan, and that the annual reviews and the annual program review targets are too modest. The appointment of the Treasury Board minister is encouraging, but we believe that more needs to be done. Particularly, we've been very strong on alternative service delivery, and we believe there's a lot of cost savings that can be done there, particularly in the back-end processing of OHIP. We're one of the only jurisdictions that doesn't have that delivered by the not-for-profit or private sectors. There's a lot of low-hanging fruit that can be targeted there, so one of our recommendations that we've been putting forward is that there be an audit of government services, and seeing for which there can be cost savings through alternative service delivery.

Secondly, one of our biggest things that we hear from our members is about the pension plan. According to our survey—we do policy quarterly surveys and we get an n of about 2,000 people—72% of our members feel that pension reform should be a provincial priority. However,

86% support pooled registered pension plans; and we're very encouraged by the fact that the federal government has come through with PRPP legislation, and that the Ontario government has also pledged to do so in the fall. So we would hope that they would stay on target to do so.

However, we also see that the OPP will be put through, but our members feel that it is a duplication of the CPP contributions and is another employer payroll tax. Only 23% of our members surveyed actually said they could afford an additional employer contribution that could be under the OPP. We have been in touch with Associate Minister Hunter and we know she'll be out there consulting with employers. We're anxious to be part of that consultation process. We feel that it's a great measure. PRPPs are not the only thing. They won't actually solve the problem, but we want to work with the government to make sure that the Ontario pension plan actually works for employers and is not a duplicate or an additional employer tax, and that's how it's seen by a lot of our members so far. On the whole, though, we understand that PRPPs are not the only thing that will solve the pension reform problems. We actually came out with a paper last year that consulted with our members about how they feel about the Ontario pension plan, the CPP and PRPPs. That was something that came out, and PRPPs were by far the most interesting component.

After that is creating winning business conditions. We have come out on—a lot of the regulatory and competitiveness of Ontario. We see Ontario as a great place, so we want to make it a place to live, work and play, but we're seeing that a lot of the conditions that are out there are not doing so. One of them is electricity prices; what we hear from members the most is about energy. They're saying that people from the United States and workforce development boards are actually coming to their local businesses and saying, "Come to us because our electricity prices are cheaper." They're getting letters from those workforce development boards and they're getting calls saying, "You could come here and you could save money" by going to other jurisdictions. So Ontario has become one of the least competitive.

Right now, we're actually consulting with our members to see the top five ways that we could lower electricity prices. I know there are measures being taken—mergers of agencies and things like that—but we still think that there needs to be a more robust energy plan. In fact, 38% of our members said increases over the next three years, because it will be about a 33% increase, will deter or cancel investment and therefore they'll have to close their business. That's one of the biggest things that we're seeing in creating winning business conditions that has deterred competitiveness in the province.

Second are the taxes. I know that the gentleman prior to us talked about the aviation fuel tax, and that is a big issue among our membership. We think that any measures that diminish the province's tax competitiveness will hurt job creation and detract from investment. Particularly, the aviation fuel tax is one of them. It would be one of

the least competitive jurisdictions for flying because of this, and our members feel that this is an undue and unfair tax on their businesses. There are others issues that I've outlined here, but I'll just go over those quickly and then skip to the bridging of the infrastructure gap. Right now, our members feel that there is general acceptance around the user fees. We did a lot of consultations with our membership last year, and what they were saying is that they are willing to pay for new infrastructure. They're willing to give that, but we think that there is a need to look at reducing costs, as well, to help fund any new government spending. As I've talked to you before, alternative service delivery is one of those ways to get those low-hanging fruit, to reduce the costs, but also, our membership is in acceptance around user-pays. Obviously, transportation is the top priority for our members in the GTHA, and they believe that the investments in infrastructure will hopefully go a long way in doing that.

Finally, developing the Ring of Fire is one of our biggest things. We are very encouraged and applaud the government for making the strategic investment in the Ring of Fire. Actually, earlier this year, we released *Beneath the Surface*, which is an economic analysis of the Ring of Fire's potential. It projects that the Ring of Fire will actually contribute up to \$9.4 billion to Ontario's gross domestic product and sustain over 5,000 jobs annually over the first 10 years of its development. Through that, we call for the federal government to also match this commitment and for the government to work with aboriginal populations, as well as make even more commitments to developing the Ring of Fire, as it is of great economic potential for the future of the province.

I just went over it quickly, but if you have any questions or comments—thank you for letting us present today.

The Vice-Chair (Mr. Peter Z. Milczyn): Thank you, Ms. Holmes. Ms. Forster, two minutes.

Ms. Cindy Forster: Thank you for being here today. You talked a bit about electricity pricing. I actually come from the Niagara Peninsula, where businesses are very easily leaving southern Ontario and crossing the border into New York state just a few kilometres away because the conditions are so much more competitive with respect to electricity. Do you have any stats provincially on how many businesses have actually left Ontario in recent years because of the taxation, the electricity prices and the conditions that competitive states are offering?

Ms. Andrea Holmes: We don't have the actual number of businesses, but we do have survey data from our actual pre-budget submission that we had in January, which I can leave with you. It's also on our website. We asked them, "How will increasing energy prices impact your business?" And 38% said that it will have a large impact that will delay or cancel investment. Actually, 4%—which might not sound like a lot, but it's actually quite a lot—said, "We'll shut our doors or move to another jurisdiction," which is surprising. If 4% of businesses say that they will actually shut down their business because of energy costs, it's clearly not a competitive

jurisdiction. There are also examples of the letters that are being sent. I know Brockville Chamber of Commerce is getting a lot from Erie county, saying, "We are more competitive; come to us."

Ms. Cindy Forster: There's a very aggressive strategy right there.

Ms. Andrea Holmes: Yes, there's a very aggressive strategy from, especially, New York state, because they have more competitive prices. A lot of businesses are like, "Well, why not move?"

Ms. Cindy Forster: Thank you.

The Vice-Chair (Mr. Peter Z. Milczyn): Thank you. No other questions from the third party?

Ms. Cindy Forster: No.

The Vice-Chair (Mr. Peter Z. Milczyn): Mr. Baker.

Mr. Yvan Baker: Thanks very much for your presentation. What I believe is one of Ontario's greatest strengths is our diverse economy. We have quite significant emerging industries, but also mature industries and sectors. One of the things this budget does is it capitalizes on our competitive advantages by supporting key sectors. I'm thinking of advanced manufacturing, agri-foods, life sciences etc. What is your organization's view on this kind of sector-specific support?

Ms. Andrea Holmes: We're heavily in support of sector-specific targets. Particularly in Emerging Stronger, we've always thought that there are certain sectors that obviously are struggling a little bit more than others, and focusing on that. One of the things that we've been doing is working with the Ministry of Training, Colleges and Universities to actually encourage sector-based training, encouraging sectors to come together and collaborate on training their workforce. We see that as something that could also encourage growth and economic competitiveness.

We think that the main factor in targeting those sectors, though, is understanding and collaborating with those sectors. What we're hearing when we work with the CME or Life Sciences Ontario is that there is not a dialogue, and that's more important than just saying that we're going to invest or help sectors come together, to actually have a dialogue with those sectors.

Mr. Yvan Baker: Okay. Thank you.

The Vice-Chair (Mr. Peter Z. Milczyn): No other questions? Mr. Fedeli.

Mr. Victor Fedeli: Welcome, and thank you for representing your 60,000 members so well today. You spoke about—a portion of one of your sections was on Ontario becoming least competitive. I know that we have the highest energy rates in North America. Other than the merger of the OPA and the IESO, which was mentioned in the budget, which would save \$15 million, did you see anything in the budget that would lower energy rates?

0930

Ms. Andrea Holmes: Right now, not really. We are consulting with our members so, in the fall, we're going to be coming out with a project that says, "Top five ways to reduce electricity prices." We're kind of leaving it to our membership to decide what they would see. We'll

take a look at a lot of the things that have been put in the budget—the incentives, the tax credits and things like that—but also other things like importing from Quebec or merging other agencies or getting rid of certain acts to see if that will also lower them. Then we'll put it by an advisory council of our corporate and chamber members, and then we'll let them decide what they think are the most feasible options. Then in the fall, we'll come out with the top five ways that we think the government of Ontario can take, and then, hopefully, maybe that will actually influence some of the decision-making.

Mr. Victor Fedeli: So there's nothing in the budget today that lowers energy rates?

Ms. Andrea Holmes: We have come out and said that there is not a real strategic plan for lowering energy rates. Obviously, there's the LTEP. But I don't think there's a strong strategic plan for lowering them. Merger is a good step forward, though.

The Vice-Chair (Mr. Peter Z. Milczyn): Mr. McDonell.

Mr. Jim McDonell: Thank you for coming, Ms. Holmes. I represent the riding in eastern Ontario along the seaway, so we see a lot of advertising in the States about coming over to work. I hear a lot of comments from my own businesses that are having trouble surviving. Do you see any strategy that your group is trying to work, that would reverse that tide of people going over, and trying to keep our businesses at home?

Ms. Andrea Holmes: Yes. Well, we've—

The Vice-Chair (Mr. Peter Z. Milczyn): That was your two minutes. I'm sorry.

Thank you, Ms. Holmes. If there's anything additional you want to add, you could submit that to the Clerk before the end of the day today.

Ms. Andrea Holmes: Okay. Thank you so much.

HEALTHCARE OF ONTARIO PENSION PLAN

The Vice-Chair (Mr. Peter Z. Milczyn): Our next witness is Healthcare of Ontario Pension Plan. If you could state your name and position for the record, and you'll have 10 minutes for your presentation.

Mr. Jim Keohane: Okay. Thank you, Mr. Chairman. My name is Jim Keohane. I'm the president and chief executive officer of the Healthcare of Ontario Pension Plan.

Thank you for the opportunity to address the committee. This morning, I'd like to talk about the need for a retirement savings plan, such as the ORPP, and why most people are best served by being part of a pooled plan, such as a defined benefit plan or a target benefit plan, which is the structure that's being proposed for the ORPP.

Our organization, HOOPP, recently commissioned a poll, undertaken by the Gandalf Group, which surveyed Ontario residents on pension issues. That poll found that a very high percentage of Ontarians—in fact, over 85%—think there's an emerging retirement income crisis

in Canada, and we believe they're right. Retirement income adequacy is one of the most important social issues that will be faced by public policy-makers over the next couple of decades.

Indeed, there is a pension problem in Canada, but it's not the one that seems to get the most attention. The real pension problem in Canada really is two-dimensional. First, there's a large number of private sector employees not covered by any workplace pension plan. Secondly, there is the increasing trend of workplace pension plans being shifted from defined benefit plans to defined contribution plans.

The absence of well-structured retirement plans has resulted in a situation where most of this group has not accumulated sufficient savings in their working careers to be able to afford to retire. A large percentage of these workers are facing a material decline in their standard of living in retirement and will become dependent on social welfare to fund their retirement.

OAS and GIS are already among the largest expenditures of the federal government. When you look at the demographic trends, it's really quite frightening. Retirees are the fastest-growing segment of the population, and longevity continues to improve, as people are living longer. You can see that this expense is about to grow rapidly.

It's critically important that public policy-makers act now to address this issue. We need to come up with solutions that will create retirement savings vehicles which can provide adequate and secure retirements for all workers, and the proposed ORPP is a good step in that direction.

I think it's insightful for policy-makers to understand the factors that have influenced private sector employers to move away from offering defined benefit plans to offering defined contribution plans. It's not about cost savings; it's about accounting rules and risk transference.

The Sarbanes-Oxley legislation, which was enacted in 2002 in response to the Enron and WorldCom accounting frauds, imposed accounting rules that effectively killed corporate defined benefit plans. In an effort to create greater transparency of off-balance-sheet corporate activities, this legislation required that all of these activities, which include the companies' defined benefit plans, be consolidated in financial reporting. Part of that is actually the notes of the financial statements. This consolidation creates significant volatility in financial results. Shareholders not liking this volatility have put increasing pressure on the management of corporations to discontinue offering defined benefit plans to employees, and as a result most corporations have closed their defined benefit plans and converted their employees to defined contribution plans.

This is not about affordability. If contribution rates stay the same, there are no current savings to the employer from the shift from defined benefit plans to defined contribution plans. The main benefit to employers is future cost certainty. Their obligation ends once the initial contribution is made and the burden of investing the

money and obligation to make up any shortfalls is shifted to the employee and, ultimately, the taxpayers that fund the social welfare system.

Shifting individuals to defined contribution plans puts them in a position where they have to make decisions about their retirement savings that they are simply not equipped to make. Unless people are in forced savings plans, they don't save. They underestimate the amount they need to save and they don't have the training or the temperament to successfully navigate the complex and volatile financial markets that we have to deal with every day. Facts show that individuals who attempt to manage their own retirement savings plans do not accumulate sufficient savings to fund their retirement. Most individuals are much better served by being part of a pooled arrangement, such as the structure being proposed by the ORPP.

There is significant risk-sharing embedded in the design of pooled plans, which benefits all stakeholders. That risk-sharing is not available in individual plans.

The first of these is intergenerational risk-sharing. If you were a member of a defined benefit plan such as HOOPP in 2008 and you retired in 2008, it really made no difference to your pension outcome because that risk was shared across multiple generations.

In contrast, if you were in an individual plan and you were planning to retire in 2008, the market conditions may have forced you to completely alter your retirement plans.

The second major risk-sharing benefit is the diversification of longevity risk. In a large-scale defined benefit plan, some of the members pass away early in their retirement years and some live to be over 100 years old. In fact, in our HOOPP plan we have 56 pensioners who are over 100 years old. But the average mortality is quite predictable, being in the mid-80s, so contribution rates can be set and determined based on that outcome.

But if you're in an individual plan you have to assume that you'll live to be 100, so you have to either save a lot more money or spend a lot less in retirement to ensure that you don't outlive your money. This risk-sharing, which is part of the plan design of defined benefit plans and target benefit plans, provides significant savings to all stakeholders because it enables you to reduce the contribution rate during a worker's working years, yet maintain the same retirement benefits. It also provides certainty for plan members because they know they are not going to outlive their money.

Pooling retirement savings also allows for sufficient scale in employee professional management. Facts show that well-governed, professionally managed, large-scale funds generate higher risk-adjusted returns than the average individual investor at a substantially lower cost. This is the natural result of the economies of scale that are inherent in large pools of capital.

These large-scale funds also play an important role in economic development. Given the long-term nature of these plans, they provide an important source of stable

and long-term capital to help finance businesses and government.

There's a broad-based misconception out there that defined benefit plans are high-cost. When you look at the facts, you find that this is definitely not the case. The reality is that defined benefit plans provide the lowest cost of delivery of pension benefits and provide the highest amount of pension income for the dollars contributed.

If you compare the cost of operating our HOOPP plan to the implementation cost of individual retirement plans, you can see that this is true. HOOPP investment costs run at about 18 basis points or 0.18% per year, and the total cost of operating the plan, which includes all the administration of the plan, is about 30 basis points per year or 0.3%. There is a significant number of studies that show that the cost of administering individual retirement plans is around 2% per year. That difference in implementation cost results in a substantially different outcome. When this difference is compounded over the life of the plan, it results in a much-reduced pension income for individual plan members. In fact, several studies have shown that this results in retirement income that is 40% to 50% lower than those people in the pooled plans.

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My Boston consulting group recently completed a study on the economic impact of defined benefit plans on the economy in Ontario, and the findings of the study were quite clear: Benefits paid to Ontario defined benefit plan members play a significant role in the province's economy, both at a provincial and local community level. Ontario's approximately 1.3 million defined benefit pension plan members channel an estimated \$27 billion back into the economy annually in the form of consumer spending, and this generates about \$6 billion in tax revenue back to the government through the HST, income tax and other tax sources.

One interesting observation to come out of this study was a snapshot of the difference in spending patterns between those in defined benefit plans and a group which was a part of defined contribution plans. The study found that the retirees who were members of defined plans spent the income they received because they had predictable income in retirement and knew there was another cheque coming next month. They also knew they would not outlive their money.

On the other hand, a very different spending pattern was exhibited by retirees who were not part of defined benefit plans. They found this group became savers in retirement because they did not save enough during their working careers. Due to the income uncertainty and concern about outliving their savings, they did not spend and deferred purchasing all discretionary items.

This implies that if the trend of employees moving from defined benefit plans to defined contribution plans continues, it could have a very long-term dampening effect on the economic activity in the province.

Additionally, the studies show that defined benefit pensions reduce the need for government assistance programs, such as the guaranteed income supplement.

According to the study, an estimated 10% to 15% of defined benefit plan members in Canada access the GIS, as opposed to about 45% to 50% of non-DB pensioners, significantly reducing the cost of this program.

Given the social consciousness of our Canadian society, we will care for our senior citizens in their retirement. Supporting our fellow citizens in their retirement will not be cheap, but we're going to pay for it one way or another. If you fail to create schemes where people can accumulate sufficient savings to pay for their own retirement, they'll end up on social assistance, so we need to deal with this issue now, because the cost of dealing with it later will be much higher.

The Vice-Chair (Mr. Peter Z. Milczyn): Thank you, Mr. Keohane. There are questions. Ms. Hoggarth.

Ms. Ann Hoggarth: Thank you very much for your presentation. Thanks to everyone for their presentations. I love the way you pointed out what will happen if this pension plan is not implemented, as we have an aging population and they don't have the money to sufficiently look after themselves or to contribute to the economy, we will all be in a worse state.

Contributions to the ORPP will be mandatory. Do you think that the mandatory contributions are important, and if so, why?

Mr. Jim Keohane: I think it's critically important because what you find is that if people are not in mandatory savings plans, they don't save. It's not that people don't want to save; I think there are a lot of pressures that you face as an individual: raising your kids, buying a house—all the different things you run into. So unless that money is actually deducted from your paycheque, studies have shown that people actually don't save. I think if you don't save, what's going to happen is that burden of funding the non-savers' retirements is going to fall on the people who did save.

It's a fairness issue, in my opinion. All people should be part of saving for their own retirements so that that burden doesn't get shifted around to people who have saved from some of those who don't save.

Ms. Ann Hoggarth: Thank you very much.

The Vice-Chair (Mr. Peter Z. Milczyn): Other questions from government members? No?

Mr. McDonnell.

Mr. Jim McDonnell: Thank you for coming out. I noticed the thrust seems to be around having government take our funds early, but there are a lot of investments that young families make because they have the availability of this money, like purchasing a house, which is in an investment that contributes back to the retirement age. You lose that economy activity early. You're having the government take the money back so that they can save it and give it back to you in the future. That does have a negative impact.

I mean, the finance ministry itself is talking about killing 150,000 jobs. There's 150,000 people who could benefit from working today who won't have a job. So this is not all rosy; this is another issue of Big Brother taking money from you so that they can look after you

later on, if that's your wish. But a lot of people would like that money today to spend and to invest.

Mr. Jim Keohane: I think something that's implicit in your question is that essentially this money gets taken out of the economy and gets tucked under somebody's mattress somewhere and then doesn't get used, which is actually not true. When that money gets put into funds like ours it gets channelled back into the economy through investment in businesses, in infrastructure, in real estate, in housing and in government operations. The money isn't stagnant or dead. It is actually recycled back into the economy through investment activities that are undertaken by these funds.

Mr. Jim McDonnell: As somebody who is contributing, I have less money available, fewer funds to actually go out and purchase a house. It probably delays the purchase of a house; it will delay major programs I'd like to get into. It is less available cash for the people themselves who may choose to save later but invest in different programs early.

Mr. Jim Keohane: Yes, I think there's some merit to that argument. The fact is that when people defer savings they tend to not save. Also, it's important to start savings early because it actually reduces the cost of the savings overall. If you don't—

The Vice-Chair (Mr. Peter Z. Milczyn): Thank you for your answer.

Ms. Forster?

Ms. Cindy Forster: Thank you. Thanks for being here today.

Between the two options, the PRPPs and the public pension plans, can you speak to the quality of merit solutions for retirement security for Ontarians?

Mr. Jim Keohane: I think all these things are good. I mean, any vehicle you can provide that allows people to save is a good idea.

I think history has shown that voluntary savings plans such as the PRPPs have not really accumulated sufficient savings for people who retire. PRPPs, in my view, have some advantages over group RRSPs, but it's essentially a repackaging of group RRSPs. What you see is significant unused RRSP contribution room—I think it's in the \$600-billion to \$700-billion range—that people have not used, again, because if they are not in compulsory savings plans they actually don't contribute and don't save.

I think all these things are a good idea, but I think the Ontario Retirement Pension Plan would actually be more effective in terms of accumulating sufficient retirement savings for people than a voluntary plan such as the PRPP.

Ms. Cindy Forster: Do you think that the PRPP model leads to too much of people's savings actually going into fees as opposed to the public system?

Mr. Jim Keohane: Yes, and that's another big difference. Pooled savings plans actually have a much lower implementation cost than individual plans. In individual plans, as I described earlier, the cost of implementation is quite high. It's generally at about the 2% range versus about 0.3% for larger pooled funds.

Ms. Cindy Forster: That can be significant money.

Mr. Jim Keohane: Yes, and when you compound it over 30 or 40 years, it actually results in a pension income which is about half of what you would get otherwise. So it has a very material difference over the long run.

Ms. Cindy Forster: Thanks so much.

Mr. Jim Keohane: You're welcome.

The Vice-Chair (Mr. Peter Z. Milczyn): Miss Taylor?

Miss Monique Taylor: No.

The Vice-Chair (Mr. Peter Z. Milczyn): Thank you, sir. If you do have anything else to submit, you can do that before 4 o'clock today.

Mr. Jim Keohane: Thank you.

CANADIAN AIRPORTS COUNCIL

The Vice-Chair (Mr. Peter Z. Milczyn): Our next witness is the Canadian Airports Council. For the record, if you could state your name and your position please.

Mr. Daniel-Robert Gooch: Daniel-Robert Gooch, president of the Canadian Airports Council.

Ladies and gentlemen, thank you for the opportunity to speak to you today on Bill 14 in particular, the proposal to more than double the tax on aviation fuel in this province. I come to you today from the Canadian Airports Council, which represents 11 airports in the province, including the largest international airports in Toronto and Ottawa, regional airports like Thunder Bay and London, and some of the smaller commercial airports like North Bay and Sudbury.

I was here when you heard earlier today from colleagues with the major air carriers at NACC. While I echo many of the comments of my airline colleague who spoke earlier, we'll approach this from the community perspective, with airports actively seeking to support and facilitate growth in Ontario's economy and drive tourism and economic activity in the communities they serve. The health and diversity of Ontario's economy continues to drive the demand for aviation, and Ontario airports are working hard to make sure they are positioned to serve this demand and support economic growth.

Our airports all have different goals and concerns. Our largest international airports are busily growing their roles as regional, national and, indeed, international traffic hubs. They do so in step with the increasingly global nature of the needs of Ontario's business, leisure and tourism sectors, while our smaller community airports seek to strengthen their vital role connecting to larger communities and the world beyond.

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Regardless of their individual goals, however, success for Ontario's airports is dependent on keeping and growing the air services that they have and adding new routes and competition in the market from new carriers. All of this is made a lot more difficult by adding to the already significant government-related costs our aviation sector faces. It doesn't really matter what the label is on the tax, it all adds to the amount. It's a cost burden that

already has Canada ranked 136th out of 140 countries when it comes to cost competitiveness.

Ontario is an anomaly in having a fuel tax that applies to international flights. We were working actively before the first budget announcement to try and get the international component of the fuel tax eliminated, as the province of British Columbia has done. Instead, we are facing the prospect that this tax will more than double. Based on projections we've seen, a bill of about \$65 million a year today would rise by \$20 million a year come September 1, and to more than \$100 million a year next April. In 2016, the annual bill would eclipse federal airport rent, which is currently the single biggest tax on aviation, at \$134 million for Ontario airports last year. The Ontario fuel tax would finish at a whopping \$160 million by 2017.

Now what would be the impact of this? Our airline colleagues have produced some economic numbers, which they shared with you, and we have a few of our own. Nationally, we estimate we're losing about five million passengers to U.S. border airports. Of this, probably more than half of that is happening in southern Ontario. This is happening, in large part, due to what the Conference Board of Canada found to be a 30% cost advantage enjoyed by US airlines. The Conference Board also found that about 40% of the fare difference between Canada and the U.S. is due to Canadian government-controlled fees and taxes. A cost reduction equivalent to just that portion of the difference—that 40%—the Conference Board estimates would bring back about 40% of those Ontario travellers that we're losing to the US. Instead, what we're talking about is a significant increase to the cost.

Moving past economic studies, let's talk about what this looks like. Ontario is home to three international airports with more than two million passengers a year, including the largest airport in the country. Ontario also hosts some of the largest operational hubs for three of our biggest air carriers. To serve the growing demand from business and leisure travellers, these carriers have been adding flights and routes domestically to the US and abroad. The Ontario economy and our consumers benefit from this, and we want this activity and growth to continue.

In addition to Canadian carriers, on international routes our airports have been busy courting foreign airlines to provide travellers here with greater choices and more competition. They've been doing this rather successfully. They're doing this, however, in an international environment in which Canada already is perceived to be a very expensive place to fly airplanes.

Regionally, for airports like London and Thunder Bay, keeping and growing links to larger transportation hubs is essential. New routes and new air carriers bring new competition, which can have a dramatic impact on fares and the costs associated with flying out of one's community. Ontarians have told us that the cost of flying out of their community is their number one issue with aviation today. Just a few minutes ago, I was advised by

our member in Thunder Bay that he has spoken with Bearskin Airlines, which provides a lot of essential services in northern Ontario. They're estimating that this will impact them by about a quarter of a million dollars, which they're going to put right onto the cost of a ticket in the form of a fuel tax surcharge. These are significant numbers.

There are also jobs. More than 50,000 people work at our airports in Ontario—that's direct jobs—and just a single 19-seat aircraft flight at an airport like Thunder Bay supports about 33 full-time equivalent jobs in terms of employment. A new daily international route from overseas into Pearson or Ottawa International supports hundreds of jobs.

In international segments, we're competing for a lot of air traffic that doesn't need to go anywhere near Ontario or even Canada. Toronto Pearson is the fifth largest port of entry into the United States and is the second airport in North America only to New York's JFK in terms of the number of international passengers. Within North America, we enjoy very good overseas connectivity here in Ontario. This is highly valuable to our economy and tourism sector. Much of our prospects for growth of the aviation sector here in Ontario is heavily reliant upon gaining a greater share of growing international travellers going between points south of us in the Americas to Asia or Europe, connecting over Canada. We're talking about the people going from Brazil to Japan who don't need to fly over Canada, but they're choosing to because we're trying to make it competitive for them to do so. This is an important business for us. Adding to our cost burden doesn't help us compete for this traffic. It's a hindrance. It makes Ontario a lot less attractive market in which to conduct business, trade and invest.

In closing, this is a challenging file to navigate through government. Whenever we engage with government on the cost issue, the conversation inevitably focuses to a particular cost segment, how that compares internationally or how it just adds a few dollars to the cost of a ticket. The problem, as my colleague outlined, is that a few dollars here is added to a few dollars there, and these dollars add up. The next thing you know, you've got \$100 on the cost of a ticket. The impact is gradual and can be difficult to see. That between two million and three million passengers in Ontario choose to drive to the US instead is a problem that resonates with people because you can see it. It is real.

It's a lot harder to imagine customers who just simply fail to materialize, particularly when overall traffic volumes may continue to climb. It's hard to picture lost opportunity, but that's exactly what we're talking about here. I've heard the situation compared to what can happen in the downtown of a major city in which, over time, due to various policies, the city slowly loses its lustre, until one day people look around and wonder what happened, because it was very gradual. You didn't see each step but, 20, 30 years later, you have a problem.

We are working with the federal government on a host of ways to improve our competitiveness in attracting a

greater share of this traffic in a range of areas, including costs. Rather than imploring you not to be adding to our industry's cost profile though, we'd prefer to be working with Ontario to make these things better.

Members of the committee, we urge you not to enact the fuel increase that is proposed at this time. Thank you, and I welcome your questions.

The Vice-Chair (Mr. Peter Z. Milczyn): Thank you, Mr. Gooch. Mr. McDonnell, questions?

Mr. Jim McDonnell: Yes. Thank you for coming out today. I know where I live, there's a number of people who just drive across to Ogdensburg but, more likely, Burlington or Plattsburg. It's not very far, and I hear the savings. You're talking, for a couple of people, hundreds of dollars. Parking alone is in the teens versus \$80 or \$90 for a week, and it all comes down to being competitive. It's just another cost. I don't think I've ever heard of people driving up here to take a flight anywhere. Your estimate of the jobs is what for people leaving the province to take cheaper air flights?

Mr. Daniel-Robert Gooch: I'm sorry?

Mr. Jim McDonnell: The estimate for people taking air flights is huge, people travelling to the States.

Mr. Daniel-Robert Gooch: Well, we estimate in Ontario it's between two million and three million. We've heard something like 2.3 million in Buffalo alone, and airports in the US are capitalizing on it. Ogdensburg has received significant federal funding to lengthen its runway. It's a very small community, but it knows it can attract Canadian business. Not only are we losing people in the US—you're losing people travelling to the US, but it also stifles opportunity for new carriers to come up and create competitive options here in Canada. If you're looking at entering into a market and you know that you can't offer the type of fare that you would offer in the US because you're going to add \$70 to \$100 on top of the ticket, you're just not going to come into the market and you're not going to have that stimulating impact that new carriers in a given market will have.

The Vice-Chair (Mr. Peter Z. Milczyn): Mr. Fedeli.

Mr. Victor Fedeli: Thank you. I'll ask you the same question I asked earlier. Why do you think the government is picking on the aviation sector for new tax?

Mr. Daniel-Robert Gooch: I believe it's seen as a luxury, which I don't really understand. Around the world over the last 20, 30 years, governments have started to see, particularly in an increasingly global economy, that aviation is a vital part of the infrastructure.

The Vice-Chair (Mr. Peter Z. Milczyn): Thank you for your answer. If you have anything else, you can—well, we have more questions. Sorry. I'm getting ahead of myself.

Ms. Forster.

Ms. Cindy Forster: Thanks for being here today. You talked a bit in your presentation about trying to grow that greater share of international travellers who actually aren't coming to Canada. It's because of the hub in Toronto. Can you talk a bit more about how important those

hubs in Toronto, Ottawa and places are actually to the economy?

Mr. Daniel-Robert Gooch: I'd encourage you to speak to our colleagues at the Toronto Pearson airport. The connecting traffic that you can have on a route can make the difference between a route being viable or not viable. The number can be as small as 20%, 30%, 40% of travellers who are going on to another destination, but those numbers can be enough to make a route viable and the 60%, 70% of the travellers are actually coming to your country. They make viable routes that just would not otherwise exist, in addition to supporting jobs at the airport, the 50,000 jobs at the airports that we have, as well as the Canadian air carriers that are providing a lot of the lift.

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Ms. Cindy Forster: Do I have time for another one?

The Vice-Chair (Mr. Peter Z. Milczyn): Yes.

Ms. Cindy Forster: Can you describe some of the policy differences, the subsidies, the incentives that are impacting the Canadian airline industry as opposed to our counterparts in other countries?

Mr. Daniel-Robert Gooch: Federal airport rent is essentially a very large tax. It's about \$134 million on airports in Ontario that generally doesn't exist in other parts of the world. There's a federal component to that.

We have a user-pay approach to aviation in this country, and so we have other fees and taxes that are generally used to support specific services, such as security, for example, but our security fee is one of the highest. There's a host of others. GST is on top of all of these. A lot of it is federal.

The Vice-Chair (Mr. Peter Z. Milczyn): Thank you. Mr. Potts.

Mr. Arthur Potts: Yes. Thank you, Mr. Gooch. I appreciate you coming down. You speak very well on behalf of your members, and we appreciate your perspective.

But really, 1992 was the last time this tax was increased, and at the time, the price of fuel was significantly less, generally. So surely the cost to travellers has a lot more to do with the increased price of fuel than it does—

Mr. Daniel-Robert Gooch: The cost to travellers has to do with the whole totality of the tax. Just one little tax—like I said, it doesn't matter what the label is. It's the entire amount and how it stands relative to other countries.

Mr. Arthur Potts: I call that the coffee cup argument. It's just a cup of coffee, but you can have a lot of cups of coffee, and it does add up.

Can you address the question of why an airline traveller's transportation fuel cost tax, at 2.7%, should be so much lower than for someone taking a car or a bus?

The Chair (Ms. Soo Wong): That's it. Thank you.

Mr. Arthur Potts: Done? That's two minutes?

The Chair (Ms. Soo Wong): Thank you very much, Mr. Gooch.

CANADIAN ASSOCIATION OF RETIRED PERSONS

The Chair (Ms. Soo Wong): The next witness is from the Canadian Association of Retired Persons: Ms. Eng, the vice-president, advocacy. Ms. Eng, you know we have 10 minutes for your presentation, and there will be a rotation of two minutes each from each party. Thank you, and welcome. You can start.

Ms. Susan Eng: Thank you. I deliberately kept my remarks short, and I'm looking forward to being expansive in my replies to the questions.

Thank you for the opportunity to present CARP's views on the Ontario budget today, particularly the health care priorities and the Ontario Retirement Pension Plan.

CARP is a national, non-partisan, non-profit organization committed to advocating for social change that will bring a better quality of life for all Canadians as we age. There are 300,000 CARP members across the country, two thirds of whom live here in Ontario. We have 60 local chapters across the country, and 34 of them are here in Ontario. These local chapters help us stay engaged with our membership throughout the country.

We also poll our members every two weeks on our various major advocacy issues to get their opinion on them and to give us the impetus to pursue them. We also capture their opinion and response to any public policy proposals that we may have.

There are several budget proposals that will particularly resonate with our members. CARP members will definitely welcome the proposed increase in home- and community-based services that will improve their access to home care, including the increase in wages for personal services workers and the \$750 million targeted to increasing funding by 2016-17.

Dementia care is a priority for CARP. Almost all of our members have been touched by dementia in some fashion, either through a close family member or people they know. Many are caring for someone with dementia, and virtually all agree that dementia, as a problem, is on the increase with no cure in sight. So the focus on prevention, early identification, housing and employment support, and an integrated, coordinated service model are vital to helping families cope now with caring for someone with dementia.

During the recent election campaign, we summarized for our members the platforms of all three parties that addressed issues of particular importance to our members. They would have been pleased to note that all parties spoke to the issues of wait times, better access to home care, wait times for long-term care, and improved patient navigation. All spoke to the need to move care into the community and into people's homes, which we believe will be critical to getting health care costs under control and having more room to provide much-needed care today. The proposal for an enhanced caregiver tax credit is most welcome, and we would encourage the government to adopt that measure as soon as possible.

In CARP's paper, published in 2008, CARP called for a universal pension plan modelled on the CPP but not necessarily part of the CPP, with key features to provide for an adequate retirement income, including:

- a payroll deduction mechanism;
- mandatory enrolment and contributions;
- professional management; and
- a governance board that is independent of government and independent of the employers, on which employees have a voice and which is designed to provide an adequate and predictable retirement income.

In the years since that report, the vast majority of CARP members have been steadfast in support of CARP's UPP and any step in the direction of improving retirement security—not for themselves, since 85% of CARP members are already retired, but for the current working generation. They know how hard it is to get by once the paycheques stop and they see that their children and grandchildren are not saving enough. So it's not surprising that CARP members welcome the proposal to establish the Ontario Retirement Pension Plan. A full 80% of them, of the 2,100 members responding to the May 2 poll, supported the ORPP, and 70% thought that the other provinces should follow suit.

The strongest support, however, is still reserved for the CPP, which they consider to be a retirement savings plan that they pay into, or a retirement insurance plan, and only 5% would call it a payroll tax. So CARP therefore supports a proposal to establish the ORPP and would add the following recommendations: that the work continue to have other provinces pass parallel legislation with reciprocal provisions so that the pension benefits are portable; and that the pension benefits envisioned by the ORPP be increased to eventually be sufficient to provide an even greater amount of retirement security.

Thank you. I look forward to your questions.

The Chair (Ms. Soo Wong): That's great. Thank you very much. This round of questioning will begin with the NDP. Ms. Forster?

Ms. Cindy Forster: Yes, thanks. Thanks for being here today. We heard from an earlier speaker from HOOPP, Jim Keohane, the CEO, that in fact the ORPP or PRPP benefits are only 50% of what a public pension system would be, and in fact the cost of implementing and the ongoing management fees are 0.3% for a public pension versus 2% for the ORPP. But I'm hearing from you that your members actually support that model.

Ms. Susan Eng: I can explain. The difference is that in a privately run PRPP, which is what the federal government is proposing and which Ontario is also going to be enabling, is a defined contribution plan. Those plans and mutual funds etc., tend to have fees around 2% to 3%. Any publicly run pension plan of a significant, sufficient size, such as the ORPP, which is being proposed, would have much lower fees—

Ms. Cindy Forster: Or should have.

Ms. Susan Eng: —and it's all a function of size—the CPP, HOOPP. We hope, obviously, with ORPP, given the sufficient size of the plan and the fact that it will

grow to almost \$10 billion in about three years, that then it will have lower fees. That's why our members understand that and support it.

The Chair (Ms. Soo Wong): Ms. Eng, this round of questions is from the Liberals. Mr. Baker?

Mr. Yvan Baker: Thank you very much for your presentation. You spoke about an issue that's close to my heart, which is home- and community-based care. In my riding, Etobicoke Centre, we have a large percentage of seniors. Can you talk a little bit to the importance of home and community care to your members, and then how you believe this budget addresses that?

Ms. Susan Eng: Absolutely. Thank you. Indeed, we have a chapter in Etobicoke and we hear from them a lot. They've attended many of our sessions dealing with home- and community-based care.

Our members directly and, of course, through our research, indicate that there is a growing need for home care. As the population ages, the focus is on chronic care and not so much acute care. Our members indicate that they're quite satisfied with acute care, generally speaking, but it's the after care, post-acute care and chronic care for conditions like diabetes, heart conditions, OPD and so on and, of course, dementia, which require constant attention usually in the home in the first instance, which is where the preference lies.

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Indeed, in terms of the cost savings alone, even if you didn't address the fact that people prefer to stay in their homes, are factors of sixfold at least, comparing the equivalent amount of care provided in the community or in the home versus being in hospital, which is the most expensive and, of course, in long-term care.

The cost savings alone have been recognized as one of the critical factors for, I guess, potential solutions for dealing with the health care cost concerns. The opportunity both to make the health care system—

The Chair (Ms. Soo Wong): Ms. Eng, can you please wrap up?

Ms. Susan Eng: —much more sustainable comes through home care.

The Chair (Ms. Soo Wong): Okay. This round it's Mr. Fedeli.

Mr. Victor Fedeli: Thank you, Chair. Good morning, and thanks for being here. Full disclosure: I'm a very happy CARP member.

Ms. Susan Eng: Thank you.

Mr. Victor Fedeli: I want you to know that.

Mr. Arthur Potts: Me, too.

Mr. Victor Fedeli: The colour of my hair will let you know that I'm qualified.

Ms. Susan Eng: There's no minimum age anymore, so we're all members.

Mr. Victor Fedeli: How many CARP members that you have are or were small business owners?

Ms. Susan Eng: We haven't asked that question, and we will. At the moment, we're focused on their personal responsibility. So we asked whether or not they're retired. As I say, 85% of them are retired. Given—

Mr. Victor Fedeli: No, that's good. I'm fine with that. Thanks. I'll move over to Mr. McDonell.

Mr. Jim McDonell: Thank you, and thank you for coming out. One of the issues we have in our office is with people trying to find a long-term-care bed for their loved one where home care is just not a solution. But we don't see in this budget any new spaces. How do you see this problem?

Ms. Susan Eng: I noticed in the budget that there was going to be additional funding for long-term care, but it isn't as much of a priority as home- and community-based care.

We recognize that there is still a need for long-term care, and the waiting lists are still long. The longer-term hope, of course, is that, as you divert a lot of that demand to the home- and community-based care, that there's more freeing up of the spaces available in long-term care. The numbers and so on are not those that we can really comment on, as to whether what is promised is enough, but certainly it remains a concern for our members.

Mr. Jim McDonell: I mean, we see the population over 75 almost doubling over the next 20 years or 15 years but no extra spaces. Is there room, with home care, or is that just a pipe dream? We don't seem to have room today.

Ms. Susan Eng: The idea of home care is one that has been spoken about. Whether it's universally available is questionable. We have asked our members as to whether or not they get the home care that they feel they need in their families, and we do not get a good response across the country, but it is a patchwork. Some places are very happy with the access.

The Chair (Ms. Soo Wong): Thank you very much for your presentation, Ms. Eng. Now we're off to the next witness.

Ms. Susan Eng: Thank you.

NATIONAL ASSOCIATION OF FEDERAL RETIREES

The Chair (Ms. Soo Wong): All right. The next group is the National Association of Federal Retirees and Ms. Sylvia Ceacero, the CEO. Welcome.

Ms. Sylvia Ceacero: Good morning.

The Chair (Ms. Soo Wong): Can you identify yourself for the record? You have 10 minutes for your presentation. This round of questioning will begin with the governing party. Thank you.

Ms. Sylvia Ceacero: Thank you. Good morning. My name is Sylvia Ceacero. I am the chief executive director of the National Association of Federal Retirees, formerly known as FSNA.

The National Association of Federal Retirees is the largest national advocacy organization representing active and retired federal employees and their partners and survivors from the public service of Canada, the Canadian Forces, the Royal Canadian Mounted Police and federally appointed judges.

Our organization is a not-for-profit association with more than 185,000 members across Canada, over 50,000 of whom are veterans.

Our association believes that we should raise our standards to afford all Canadians the opportunity to have a predictable and secure retirement income. We know that secure, adequate retirement income is linked with a better quality of life and better health outcomes, but many Canadians are still struggling to save enough.

The Royal Bank of Canada and Ipsos Reid found that over 77% of non-retired Canadians have not determined the amount of money they will need for a comfortable retirement. Rates of personal savings are at the lowest. RRSPs are severely underutilized. As of 2011, 85% of all available RRSP contribution room was not used.

We also find ourselves in a tougher savings environment. It is estimated that it could take \$1 million in investments today to generate the same retirement income as \$500,000 would have generated five years ago.

According to a recent EKOS national poll performed for our association, the Canadian public supports expansion of the Canada Pension Plan. More than 63% are in favour of it. Two thirds of Canadians believe that it is an urgent priority to improve pensions for the majority of Canadians who have little or no coverage.

According to Frank Graves of EKOS, Canadians are receptive to a more effective and active government. The overall trend is away from support for lower taxes and smaller government in favour of seeing government getting involved in new, ambitious measures for retirement income security.

These findings are contrary to what we've heard our federal government expound. For instance, Minister Joe Oliver continues to state that now is not the time to expand public programs such as the CPP.

In the absence of federal government leadership willing to move to the expansion of the CPP, the National Association of Federal Retirees supports the Ontario Retirement Pension Plan. This being said, the association believes that all provinces need to work with the federal government to expand the CPP. The CPP is a proven, effective means of securing retirement income. The CPP is on sound financial footing, and in fact, in December of last year, the Chief Actuary of Canada reaffirmed that the CPP is sustainable for the next 75 years. Having one single, national pension plan prevents duplication of services, increased administrative fees, and avoids complicating an already multi-faceted retirement savings system.

We also urge the implementation of measures to protect individuals from harmful repercussions from possible future modifications to the CPP. For example, if the CPP were to be expanded and should the Ontario government choose to make changes to the ORPP in response, those who rely on the ORPP should not be negatively impacted. The ORPP should work in harmony with the CPP to ensure that Ontarians have a predictable, secure retirement income.

We also would like to see measures implemented regarding portability. Many Canadians move from one province to the other and we must ensure that if individuals were to work in Ontario and move elsewhere, they are not penalized. Measures for transfer of these funds must be considered, as well as the possible implications of RRSP maximum contributions.

Our members believe that having open, vibrant conversations to identify solutions such as the ones we have raised will allow us to identify possible solutions that will provide real outcomes for all Canadians and move us towards collectively implementing those solutions. With this in mind, we would like to invite the members of provincial Parliament to take part in a series of town halls that our members and other members of the community will be hosting in cities throughout Ontario in the coming year. These town halls would focus on retirement income security and sustainable health for all Canadians. The information gathered, of course, will be shared and provided to the MPPs in the hope that we can work together towards a national solution for retirement issues and ensure that all Canadians can retire with dignity. Thank you.

The Chair (Ms. Soo Wong): Thank you very much. This round of questions will be from the Liberals. Who will be—Mr. Milczyn? Thank you.

Mr. Peter Z. Milczyn: Thank you, Ms. Ceacero, for your testimony. Your organization represents retired federal workers who enjoy a good retirement pension benefit, but two thirds of Ontarians don't have the benefit of those kinds of workplace benefits. Could you explain to us what your views are on the risks to those two thirds of Ontarians who would have to rely simply on CPP and their own personal savings, and the impact that might have on the economy in the future?

Ms. Sylvia Ceacero: Thank you for your question. Indeed, when I testify on behalf of the National Association of Federal Retirees, the understanding is that federal pensioners have so-called gold-plated pensions. The reality is that the average pension of a federal retiree is \$25,000, and half of that if they are a surviving spouse. So it is far from the gold-plated pension that most people think it is.

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However, we do believe, as an association, that those who do not have workplace pensions, and even those who do—for instance, we saw what happened with Nortel—are at greater risk. As we become older as a country, if there is no income security, there will be incidences on the health system but also on the economy.

So when Minister Oliver says that the Ontario economy is fragile and we shouldn't be expanding on CPP or ORPP, it begs the question of how our seniors are going to have a dignified retirement and continue to contribute to their society.

Mr. Peter Z. Milczyn: The proposed ORPP will have mandatory contributions for many, but not all, employees. Do you think having mandatory participation in this plan is important, and why?

Ms. Sylvia Ceacero: We have seen that other systems of saving—for instance, the pooled RRSPs or RSPs and so on—are not being effective. Right now, 85% of RRSP room is going unused by Canadians. When we are young and we come out of university—

The Chair (Ms. Soo Wong): Finish your sentence, and then we're going to go to the PCs.

Ms. Sylvia Ceacero: Thank you. When we come out of university with debt, we want to pay that debt, raise our families, buy our first home and so on. If we are not forced to save, we will put that to the last, and then we get up to 45 and all of a sudden realize we have 20 years—

The Chair (Ms. Soo Wong): Mr. Fedeli?

Mr. Victor Fedeli: Thank you very much. I appreciate your being here. A little earlier today, we heard from the Ontario Chamber of Commerce. Their 60,000 members would be the ones who would be funding half of that proposed ORPP. In the survey that they had of their membership, over 80% were against this ORPP, and over 50% said they would result in layoffs of people if this were implemented.

I was home in my hometown of North Bay on the weekend, and I asked some business people—this is, of course, anecdotal but their philosophy bore out what the chamber of commerce said. One business owner said, "I've got 10 employees today. I'm going to have to let one go and use that money to pay for the other nine and make the other nine work harder." I think that's anecdotally what the chamber of commerce found when they talked to their members as well.

I think one of the most important things in terms of retirement is that you need to start with having a job. Do you believe the chamber of commerce statistics that 53% will result in layoffs in their company?

Ms. Sylvia Ceacero: I'm not sure I can comment on whether I believe their statistics. I would have to see their study—

Mr. Victor Fedeli: Okay. Thanks, Chair. I'm going to pass it over to Jim.

The Chair (Ms. Soo Wong): Thank you very much.

Mr. McDonell, you have a question?

Mr. Jim McDonell: Yes. I hear you talk about people going through university, post-secondary, and wanting to buy a house, wanting to buy things, and this is a way of forcing them to save. But is there any thought that maybe some of these investments they'd like to make are not only good for the economy but actually are what people are wanting? It's like Big Brother is telling you what you should do. Really, people like to live and like the choice.

When you add that to the point that the economy is fragile—the Ministry of Finance says it means 150,000 less jobs, but it also is driving the good-paying jobs out of the province. I guess the point is, is there not some of that feedback from your membership that people have a choice of how they live and where they spend their money, and maybe buying the house or buying the car earlier, which is actually good for the economy?

Ms. Sylvia Ceacero: We believe that these are the necessities of life, in order to hold a job and raise a family and so on—buying the house and so on, and the car, to be able to transport yourself to work. Not everybody's lucky enough to live in cities where you have such wonderful public transportation—

The Chair (Ms. Soo Wong): Okay. This round, the last question is for Ms. Forster.

Ms. Cindy Forster: Thanks for being here. I'm glad that you raise the issue about what the average pension plan actually is, because a lot of people seem to think that public servants who have retired have these \$100,000 pensions, and it's not the case.

You did speak to the issue of making sure that if an ORPP or PRPP was established, it doesn't impact the RRSP contribution room. What impact do you think that would have? Currently, you say that 85% of people aren't using their room, so you think that would increase that dramatically?

Ms. Sylvia Ceacero: Perhaps not dramatically, but sufficiently in order for that room to grow.

Ms. Cindy Forster: On the issue of health, do you have any comments, briefly, on what your members feel about the current health system and what they're getting out of it?

Ms. Sylvia Ceacero: Yes, we do have a lot of comments, actually. One of our advocacy pillars is health care, and our members are very concerned about the situation in Ontario and across the country. Waiting times, home care, long-term-care facilities: We do have lots to say about that as well.

Ms. Cindy Forster: Okay. Thanks.

The Chair (Ms. Soo Wong): Thank you very much. Thank you for your participation.

The next witness is from the Ontario Health Coalition. Nobody from the Ontario Health Coalition? Let's skip to the next witness just in case they got stuck in traffic; you know what traffic is like, right? Okay, we'll go to the next one. It's the Ontario council of universities. Are they here? All right. Anybody from the Co-operative Housing Federation of Canada, Ontario region?

Mr. Victor Fedeli: Is Harvey coming today?

The Chair (Ms. Soo Wong): I don't know. I don't see Harvey.

You know what? We are going to recess for 10 minutes, but don't go far, because we're going to come back in 10 minutes. Just so members know, because of the House order, we are not expected to be at question period today. Please be back here at 10:35.

We're recessed for 10 minutes.

The committee recessed from 1026 to 1035.

The Chair (Ms. Soo Wong): My clock says 10:35. We're going to reconvene the committee. I believe we have quorum.

Let's call out again for the Ontario Health Coalition. Are they here yet?

Seeing none, let's go to the next one.

COUNCIL OF ONTARIO UNIVERSITIES

The Chair (Ms. Soo Wong): The next witness is the Council of Ontario Universities. Are they here?

Ms. Jennifer Grass: Yes.

The Chair (Ms. Soo Wong): Yes, I see her. All right: Jennifer Grass, the senior director of communications and public affairs. While Ms. Grass is coming up, I just want to remind everybody that we have 10-minute presentations—Ms. Grass, 10 minutes for your presentation—and then there will be six minutes of opportunity for all three parties to ask you questions. This round of questions will start with the NDP.

Ms. Grass, you can present. Can you please identify yourself for the record?

Ms. Jennifer Grass: I'm happy to do that. My name is Jennifer Grass, and I am the senior director of public affairs and communications for the Council of Ontario Universities. It's a great pleasure to be here to present to you. The Council of Ontario Universities represents Ontario's 20 publicly supported universities.

Investments in university education are crucial to graduating the leaders of tomorrow and driving our provincial economy. Ontario's university graduates continue to have the highest lifetime earnings, the best labour market outcomes and the highest employment growth of any educational group. The 2014 Ontario budget recognizes that strong economic growth requires a highly educated work force. Universities support the job focus outlined in the budget, and we graduate more than 100,000 talented students each year.

The government's Jobs and Prosperity Fund and youth employment fund is aligned with our universities' goals to support graduates with many skills, but including the entrepreneurial skills that spark economic growth, foster innovation in our communities, and prepare students for the workforce.

Universities continue to transform academic programs to adapt to the changing marketplace and to meet the changing learning needs of our students. Increasing numbers of work-integrated learning opportunities are being offered, in order to ensure that students have the applied aspect of learning as well as the conceptual piece.

As we transform programs and initiatives on campus, universities are also trying to adapt facilities to meet the changing needs of students. Those can be technological needs, the needs of people with disabilities, aboriginal students, francophone students—increasing numbers of our buildings need to be adapted in order to meet those needs.

The Ontario budget increased contributions to facilities renewal, committing additional funding of almost \$500 million over 10 years to address critical maintenance repairs at universities and colleges.

Our institutions are dealing with a deferred maintenance backlog which reached \$1.97 billion in 2010, and it has doubled over the last 10 years. The investment in facilities renewal included in the budget is therefore crit-

ical to provide the capacity that we need to address student needs.

Universities recognize the fiscal challenges the province is facing, and we are taking our own steps to enhance productivity and efficiencies wherever possible. Indeed, Ontario universities are the most productive in Canada. We have accommodated more than 153,000 new students since 2002, with less funding per student than anywhere else in the country.

In the past year, our universities have increased collaborative procurement by 7% in the sector, resulting in significant cost savings, more competitive pricing and a reduction in administrative overhead.

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With cuts being implemented this year, we will need to reduce costs further, but over time there is also a need to invest in quality to ensure our universities can continue to attract and produce the top talent that advances our economy.

It is also important for our province to remain a global leader in university research. The budget is committing \$250 million over three years to research infrastructure, which will help institutions to leverage funds from the federal government and other sources to support innovative research that transforms lives. Specific support was also provided for the Institute for Quantum Computing and the Trillium Advanced Manufacturing Network. These are key pieces of research that are advancing innovation in our communities, our economy and even the world.

In addition to talent development and research outcomes, universities make a significant economic impact in other ways. Our universities are major employers, often the most stable employer. Indeed, Ontario's largest university contributes more than \$5 billion to the economy each year. Comprehensive universities are estimated to contribute around \$2.5 billion, and even smaller universities are injecting approximately \$150 million or more into the economy on an annual basis.

But most of all, universities are all about their students, the young people we are educating for a world that will be much different than it is today. No matter what the discipline, our universities continue to ensure that students have the critical thinking, problem-solving and communication skills that are fundamental not just for a job today, but for a career or, more likely, many careers over the course of their lifetime.

As the government moves towards a balanced budget, increasing university funding will improve quality, produce more entrepreneurial thinkers and develop the talented minds Ontario needs to secure a bright, prosperous future.

Those are—

The Chair (Ms. Soo Wong): Thank you very much, Ms. Grass.

Sorry, Ms. Forster, this round of questioning is from the PC side. Is it Mr. McDonnell? No. Mr. McNaughton.

Mr. Monte McNaughton: Great. Thank you very much for that presentation and thanks for the contribu-

tions that universities make to Ontario's economy. Where I'm from, UWO plays a big role in southwestern Ontario and we're very thankful for that.

A quick question regarding the government's Jobs and Prosperity Fund: Do you have a number attached to that as far as job creation, and how many students you're projecting will get hired because of that?

Ms. Jennifer Grass: I wish I did. We are working on that. Our institutional planners are away a bit at the moment, so we haven't been able to capture that. But you're right: That's an important number to us.

But even beyond that, we feel there's a real impetus coming from our incubators on campus and those, of course, are university initiatives that are creating opportunities for students that are well beyond those that are in the marketplace, because they're creating their own jobs and, in many cases, they're hiring other students. I'd like to be able to give you that and I'd be delighted to follow up.

Mr. Monte McNaughton: Perfect, thanks. Vic?

The Chair (Ms. Soo Wong): Mr. Fedeli.

Mr. Victor Fedeli: Thank you very much and welcome. There is a discrepancy between the amount of money that universities receive per student—and I've met with the president of Nipissing University in North Bay frequently. They continue to show me the charts and graphs that show how low the funding is per student at Nipissing. What would you recommend that I, as an MPP, do to try to bring some equalization to the funding model for each and every university in Ontario?

Ms. Jennifer Grass: That is a complex question. Certainly, we hope that over time, as the economy improves and we have a stronger fiscal situation, perhaps there would be an opportunity to phase in higher levels of per student funding.

Mr. Victor Fedeli: Or balanced levels, I think, is what we're looking for as opposed to just higher—

The Chair (Ms. Soo Wong): Ms. Grass, sorry. Sorry, Mr. Fedeli. It's two minutes.

The next question: Ms. Forster.

Ms. Cindy Forster: Thanks for being here today. This government provides the lowest funding per student in the country and one of the highest tuitions for students in the country. How concerned are you about the complete absence of any measures in this budget to make university more affordable for the students attending?

Ms. Jennifer Grass: Actually, Ontario has the most generous financial aid system in the country. While we are always concerned about the needs of students, with the Student Access Guarantee, nobody who is in need is going to be denied the opportunity to get a place in university. So while it is a concern, we do feel that there are significant opportunities to ensure and protect the students in having access to university.

Ms. Cindy Forster: At my university in Niagara, Brock University, there are significant layoffs occurring at the moment because of operating deficits. Are other universities across the province experiencing those same layoffs of good-paying jobs?

Ms. Jennifer Grass: Universities are working hard to make sure that they make the best use of their revenue position. There is no doubt that the cost curve has had an impact and that we are trying—

The Chair (Ms. Soo Wong): Ms. Grass, can you wind that up? Because the next round of questioning—there are only two minutes per question, per party.

Ms. Vernile, do you want to ask a question to the witness?

Ms. Daiene Vernile: Yes. Thank you very much for your presentation, Ms. Grass. I was listening very closely because in my region, we have two world-class universities: the University of Waterloo, which is receiving funding for IQC—and you talked about students and jobs; they created co-op education in Canada, where they're connecting students with well-paying jobs—and Wilfred Laurier University, and also one of the best colleges in Ontario, Conestoga College.

You've talked about the budget providing \$500 million for critical maintenance repairs to post-secondary institutions. Could you please tell us some more information on how your organization feels that this funding is so crucial at this time?

Ms. Jennifer Grass: Well, as you know, much of the building boom, particularly around colleges, occurred during the 1960s, so we have a lot of buildings that are somewhat old. The needs of students are much different. As you know, they come with laptops and iPads and what have you, so sometimes there's a mixture of different kinds of spaces that are needed that just don't exist in some of these old buildings. In other cases, it very simply comes down to making sure that they have more efficient environmental HVAC systems and that kind of thing.

There's a variety of different kinds of needs when it comes to deferred maintenance in our colleges and universities. At the end of the day, it's all designed to make sure that we have the kinds of places that we need for students.

Ms. Daiene Vernile: Would you say that the 30% tuition grant is important in allowing more students to access university?

Ms. Jennifer Grass: Absolutely it is. It absolutely is. I would say not only that, but I think a lot has been invested in financial aid to help make it more—

The Chair (Ms. Soo Wong): Ms. Grass, thank you very much for coming before the finance committee and thank you for your input.

ONTARIO HEALTH COALITION

The Chair (Ms. Soo Wong): All right. The next witness and the next group is the Ontario Health Coalition. I believe Natalie Mehra, the executive director, is here.

I just want to remind everybody: It's 10 minutes for the witness and two minutes per party, so it's a very short timeline. Thank you.

Good morning. Can you please identify yourself for the record? Thank you.

Ms. Natalie Mehra: Sure. My name is Natalie Mehra. I'm the executive director of the Ontario Health Coalition.

The Chair (Ms. Soo Wong): Thank you. You may begin.

Ms. Natalie Mehra: Thank you very much for this opportunity. We had just about three major things that we wanted to highlight from both the budget papers and the budget bill this year.

The first is that we appreciate the budget measures that have been introduced that will, we think, improve the health and well-being of people in Ontario. An Ontario pension plan would significantly help to address the increase in poverty among Ontario seniors, particularly women. In fact, in the country, the largest increase in poverty rates has been among elderly women in Ontario. It's a serious problem, and we're happy to see some movement on that.

The increase in the home care personal support worker minimum wage—a tremendous jump forward for some of the most marginalized of workers in the health care field—the increase in the overall minimum wage; the increase in the maximum allowable child benefit; the increase in taxes for the highest income earners to redistribute that income through investments in public services and public programs, which will improve equity; and the proposed expansion of low-income health benefits for children: All of these things are great measures.

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On the other hand, our deepest concern remains, as it has been for the last five years, with the hospital cuts. This is the fifth year in a row now of austerity budgets for Ontario's hospitals. At this point, Ontario's hospitals are funded at among the lowest rates in the country. We've cut more hospital beds than any jurisdiction in Canada. We have the fewest beds left per person, by far, compared to other provinces, and we're actually almost at the very bottom of the entire OECD in terms of hospital beds per person. The only countries that have fewer hospital beds per person than Ontario are Turkey, Chile and Mexico at this point. We have seen a precipitous decline in the number of beds, particularly acute-care beds and chronic-care beds, which have been cut in half in Ontario.

Despite the rhetoric, these services are not being offset by increases in home care funding. In fact, the Ontario Auditor General reported in 2010 that home care funding per client had declined significantly since 2002. With the investments in this budget and the previous two budgets, home care funding per client is now just getting back up to where it was in 2002. So despite page 27 of the budget papers, which says that this home care funding is going to buy all kinds of things, including a five-day wait time guarantee and so on, it's actually not. It's just going to restore what has been cut over the last decade.

Also of deep concern to us—and I know some of the members around this table are on this committee—is rural hospital funding. It was announced in the 2012 budget and announced again in the 2013 budget: \$20

million to ostensibly stop the cuts in small rural hospitals. But that money, to our knowledge, has never flowed. There were two local announcements in April 2013, but that's it. So if there is \$20 million available, then why has the Wallaceburg hospital, for example, been cut to five remaining beds and an emergency department: no lab, no other services, no complex continuing care beds? Every other service has been moved out of that hospital. Why are St. Marys and Stratford and Seaforth and all of that area of hospitals facing major cuts right now? That money surely should be used to offset those cuts.

Finally, we remain concerned about P3 hospitals and the use of infrastructure funding for profit, but we'll intervene more on that, I think, with the new infrastructure act, which we hope will go to full hearings.

There was just one other thing in the budget that isn't a budget measure. We don't know why it's in the budget bill. It's schedule 19, which enables the director and the minister in the Ministry of Health to extend the licences for long-term-care homes, so that's the licensed homes or for-profit, from 25 to 30 years. We don't know why that's in there. It's not a budget measure. It shouldn't be in the budget act. It should be subject, at minimum, to more fulsome scrutiny.

The Chair (Ms. Soo Wong): Okay. Thank you very much for your presentation.

This round of questions is from the NDP. Ms. Forster?

Ms. Cindy Forster: Good morning, Natalie. Do you think that this budget will do anything to stop the expansion of private clinics, 97% of which are for-profit, according to the Auditor General's report?

Ms. Natalie Mehra: No, not at all. In fact, the worst part of this budget, I think, is for Ontario's hospitals. It means another round of ever more serious and deeper cuts, and everything that's being cut is being privatized. Physiotherapy and all of the things that are being moved out to clinics are basically going to two-tier clinics, where they're charging extra user fees for a whole raft of, really, what is medical junk that they're upselling to patients.

Ms. Cindy Forster: And how does that—physiotherapy, for example—impact patient care in the hospital?

Ms. Natalie Mehra: Well, if you lose your public outpatient physiotherapy, as has happened pretty much all across the province, then you're subject to long wait times. In fact, a man contacted us just a couple of days ago from Chatham and told us the story of his wife. He's waiting now, at minimum, for three weeks for stroke physiotherapy for his wife—a minimum of three weeks before she even gets any, and what she gets is very, very severely rationed. To pay out of pocket is \$70 to \$100 for the first assessment and \$50 to \$70 for every visit thereafter. It's just completely beyond their means.

Ms. Cindy Forster: Thank you.

The Chair (Ms. Soo Wong): This round of questions is for Ms. Hoggarth.

Ms. Ann Hoggarth: Good morning.

Ms. Natalie Mehra: Good morning.

Ms. Ann Hoggarth: Thank you very much for your presentation. In 2006, our government launched drug reforms that are now saving the province \$500 million a year. Those savings will be reinvested in providing better community-based services, such as the family health teams and home care. Reinvesting savings from drug reforms into better community care is part of the government's action plan to provide Ontario families with access to the right care at the right time and in the right place. It's much more economical to take care of people in their homes than it is to have them in hospital or long-term-care facilities.

In this budget, our government is committing to increase investments in health care services in the home and the community by over \$750 million in 2016-17. How does having this access to health care closer to home affect the patients in Ontario?

Ms. Natalie Mehra: What those numbers obscure is the fact that Ontario has now dropped almost to the very bottom of the country in terms of health care funding, both on a per capita basis and—the true measure of sustainability—as a proportion of provincial GDP.

While we support the approach to drugs that the former Minister of Health took and the reinvestment of that half a billion dollars into needed health care services, there is a lot more that could be done on appropriateness. In fact, that would be a much better approach than just continual endless cuts to hospital services that people need.

While we agree that services should be provided based on people's need, in the right place and at the right time—

The Chair (Ms. Soo Wong): Thank you. Okay, this round of questions is to Mr. McNaughton.

Mr. Monte McNaughton: Great. Thanks, Natalie, and thanks to you and the Ontario Health Coalition for your advocacy on behalf of rural and northern hospitals. I had an opportunity to work with you, before I was elected, at the Four Counties Health Services in Newbury. My grandfather founded that hospital, so it's very much of personal importance to me. You mentioned about the Wallaceburg hospital, the Sydenham, being cut down to five beds, I think only emergency room beds then—as well as in my riding.

I just wondered, from the coalition's perspective, where could savings be found within administrative levels of hospitals and within the ministry? Where could savings be found that could be invested into front-line patient care?

Ms. Natalie Mehra: As I was saying, I think appropriateness: There's a lot of evidence that at private clinics, for example—the ministry's own estimate is that 20% of the MRIs and CTs ordered by private clinics are medically unnecessary. That's one in five—so more appropriate use, looking actually at the billing patterns of the private clinics in Ontario and actually doing something about them. The auditor has reported that the ministry has found unusual billing patterns but not done anything about it. That's key.

Definitely, moving on prescribing practices: Improving prescribing practices would actually make people healthier, would be safer and would save money.

Definitely, real movement on controlling the costs of CEOs and executive salaries in the health care system: There are 18,500 fewer beds. All kinds of services are contracted out. So why has the pay of the CEOs gone through the roof? Less work, more pay—it doesn't seem right.

The Chair (Ms. Soo Wong): One minute.

Mr. Victor Fedeli: One more minute? Thanks.

The Chair (Ms. Soo Wong): Mr. Fedeli?

Mr. Victor Fedeli: In North Bay, I was informed on the weekend that the closure of the 60 hospital beds has already started. Do you have any statistics of how many other hospital beds are actually closing in Ontario?

Ms. Natalie Mehra: Yes. We continually collect lists of cuts from across the province. On an ongoing basis, we ask our membership to send in cuts. There are cuts happening in the rural hospitals in southeastern Ontario; there have been a raft of cuts over the last few months. There are new cuts being proposed in southwestern Ontario in the rural hospitals. There are the huge cuts in North Bay, as you mentioned. So there are cuts happening all across Ontario.

The Chair (Ms. Soo Wong): Thank you for your presentation.

CO-OPERATIVE HOUSING FEDERATION OF CANADA, ONTARIO REGION

The Chair (Ms. Soo Wong): The next group coming before us is the Co-operative Housing Federation of Canada, Ontario Region: Nicole Waldron, the president, as well as Harvey Cooper, manager of government relations.

Welcome. Can you please identify yourself for the record? You have 10 minutes for your presentation, and this round of questions begins with the governing party. Thank you very much. You can begin.

1100

Ms. Nicole Waldron: Good morning. I am Nicole Waldron, president of the Ontario council of the Co-op Housing Federation of Canada. Thank you for having me this morning.

We represent 555 non-profit housing co-ops, home to some 125,000 people. It is my pleasure to speak to the committee this morning on Bill 14, the act to implement budget measures. Our manager of government relations, Harvey Cooper, you all know, will be happy to answer any questions that you may have.

Our submission that has been distributed is the same one that we were pleased to also give to your predecessors on the committee when we were here in January. We believe these affordable housing suggestions that we recommended for the 2014 budget are just as relevant today.

We are encouraged by the news that the 2014 budget notes that Ontario is finalizing an agreement for the jointly funded federal-provincial investment in affordable

housing program. The housing program would see Ontario contributing \$80.1 million annually for five years to this program. While this is a welcome and important contribution by senior levels of government, the levels of investment are quite modest when compared to the affordable housing supply programs in existence from the end of World War II until the mid-1990s.

The Canada-Ontario affordable housing program and its successor, the IAH, have added about 1,500 units annually since their inception about a decade ago. The lack of affordable housing for key workers in many sectors is threatening the province's economic competitiveness. Investment in affordable housing would play a critical role in addressing this problem. What's more, construction and renovation of affordable housing would prove significant, an immediate economic stimulus creating good jobs, often using locally supplied materials and producing a major economic multiplier effect.

Given the number of new MPPs on the committee, we thought you might well be interested in hearing about the five low-cost or even no-cost initiatives that we suggest that the government should take. We believe that these practical recommendations are measures that all parties should support to create new, affordable housing and ensure that the existing housing stock is preserved as a long-term public asset.

(1) Replace expiring federal housing assistance for low-income households. Today, nearly 200,000 vulnerable Canadian households, almost half living in Ontario, depend on federal rent-geared-to-income, RGI housing assistance to pay their rent. Of these households at risk, just over 7,000 live in federally funded housing co-ops in Ontario. Federal assistance is delivered through operating agreements with co-ops and other housing providers developed under federal housing programs in the 1970s and 1980s.

When these agreements end, so does the RGI subsidy. There is no commitment from the federal government to extend RGI assistance. Some of these agreements have already expired, and we are quickly approaching 2020, at which point a large majority of the contracts will have ended. This is a critical issue for federal co-ops.

Vulnerable households have few other affordable housing options, but they will not be able to afford to stay in their co-op homes without assistance. The federal government has been largely silent on this issue. There are billions of federal dollars that will become available over the next quarter century as these operating agreements expire.

The Ontario government has a clear interest in ensuring that existing affordable housing continues to be available. Together with other provinces, Ontario should negotiate with Ottawa for the reinvestment of expiring federal assistance in a long-term, cost-shared plan for affordable housing that includes rent supplement funding. A key part of this solution is to ensure that households now receiving federal RGI assistance continue to qualify and remain in their homes.

(2) In that inclusionary zoning legislation, the province under its planning authority can mandate a municipal zoning approval process that requires developers to make a percentage of housing units in new developments available at below-market rents. In return, the developer would receive a density bonus, allowing more units that would ordinarily be permitted under zoning restrictions. The below-market housing created would be affordable to many low- and modest-income households who cannot afford the steep rents charged in many recent condominium developments.

While the inclusionary housing policies are set by local governments, it is up to the province to ensure that these municipal measures can be enforced and not subject to endless challenges at the Ontario Municipal Board. A straightforward provincial statute would give municipalities the authority to establish inclusionary zoning practices and would accomplish this goal.

The government would give serious consideration to enacting such legislation. Inclusionary zoning has proven an effective tool in the United States, where it has been used in a number of states and municipalities.

(3) Make government lands and surplus school properties available for affordable housing. Ontario should follow through on earlier commitments to facilitate the development of affordable housing on surplus provincial lands. A major part of the capital costs for affordable housing would be removed if the land were available without charge. This would reduce the capital grant required from the government and bring down the required economic rents. It would also lower the subsidy required to bridge the gap between economic rent and rent-geared-to-income rent levels.

The province should follow through on this long-delayed initiative that would help create many more affordable homes without incurring significant government expenditures.

Another step the government should take to increase the supply of affordable housing is to amend regulation 444/98 to the Education Act regarding the disposal, selling or leasing of public school board lands to add co-operative and non-profit housing to the list of priority users for the surplus sites.

Regarding this issue, we would want to thank the Chair of the committee, MPP Soo Wong, for the work that you have done in this area and organizing a number of meetings between ourselves and the Toronto District School Board to explore the possibilities. Thank you very much.

(4) Preserve the existing affordable housing stock—a very important issue. The long-term viability of much of Ontario's social housing stock is at risk. As economist Don Drummond noted in his 2012 report on the reform of Ontario's public services, this is of serious concern. Co-op and non-profit housing providers need access to new mortgage financing to pay for capital repairs to their aging buildings. One significant step Ontario could take with little cost to the provincial treasury would be to expedite a program through Infrastructure Ontario to

allow providers to leverage the equity in their housing to borrow the money they need at reduced IO rates and extend their mortgages so that their debt servicing costs do not increase.

Last, but not least, (5), let's build more co-op housing. For many years, CHF Canada has raised concerns with the province about the barriers to development of co-ops and other community-based non-profits under the federal-provincial AHP and IAH programs. Historically, almost a quarter of social housing developed in Ontario was co-op housing. Under the recent programs, that share has dropped to less than 4%. We don't believe that this is a policy intent of the Ontario government. In the fall 2013 session, when the Legislature unanimously passed a bill moving co-op housing tenant disputes to the Landlord and Tenant Board, MPPs from all three parties spoke about the benefits of the co-op housing model. Many parliamentarians mentioned that this is cost-effective and builds healthy communities, and said that the government needs to find ways to facilitate the development of more co-ops.

We urge the government to examine the barriers that have blocked the development of housing co-ops under recent supply programs and take steps to address them.

Another measure that we had recommended previously to achieve more co-op housing developments would be for the government to set aside a certain number of units specifically for the development of co-ops. The province used this type of approach when they set up a reserve stream for the development of affordable housing on brownfield sites a few years ago. Municipalities will still be responsible for selecting suitable projects for development and later would be responsible for the administration, but the reserve pool of units could only be used to build housing co-ops.

The co-operative housing sector is anxious to work with MPPs of all parties to follow through on these practical suggestions and to partner with the government to find other creative ways to ensure that every Ontarian has a decent, affordable place to call home.

I wish to thank the committee members for the opportunity to address you this morning, and as mentioned, Harvey Cooper will be pleased to answer any questions—because we believe housing is a right and not a privilege.

The Chair (Ms. Soo Wong): Thank you very much for your presentation.

This round of questions is from the government. Mrs. Albanese.

Mrs. Laura Albanese: Thank you for your presentation and for the advocacy that you do on a regular basis for co-ops in Ontario.

The riding that I have the privilege to represent, York South-Weston, is home to about a dozen healthy co-ops, including Beech Hall, which was the first co-op housing in the city of Toronto, so I'm quite familiar with all of the points that you made, but especially the first one, replacing the expiring federal housing assistance program. Actually, I asked a question in the House about that just

last week, asking what our government was doing in order to negotiate an agreement with Ottawa and an extension of that agreement.

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I know that our budget is committing additional funding, especially in regards to the community homeless prevention initiative, and that is also something that you have been advocating for. But in general, could you elaborate on what you would see the federal government's role and our government's role to be in that?

Mr. Harvey Cooper: Thanks, Mrs. Albanese, for that question. Just to echo our president's remark, it's always a pleasure to be at the Legislature, working with MPPs, even in the middle of July. We're certainly never shy about advocating for affordable housing solutions.

Quickly, on that key issue, I think that for us and non-profit housing, those legacy federal programs affect 200,000 Canadians across the country. We're a small piece of it, but while we're looking forward to building new housing and new solutions, I think it's absolutely critical that we don't let the carpet roll up behind us. Those are probably the most cost-efficient and economic existing affordable housing developments from one end of this country to the other.

What we would ask the province to do and the federal government to do is to not make this a political football. These are actually people's homes. Some of the groups, when they're out of their mortgage, may be able to refinance, but they're not in a position to do income distribution. It was never the intent of the program to provide for those residents who are receiving rent-geared-to-income assistance. While we've already got huge challenges with waiting lists, let's not lose the units that we already have. Let's not point the finger from the province to the federal government and the federal government to the province. Everybody, sit down at the table and let's just extend these agreements.

The Chair (Ms. Soo Wong): Thank you. Mr. McDonnell, your question to the witness.

Mr. Jim McDonnell: You talked about the percentage of co-op housing units going from 25 to 4. This government is very supportive, but we're not seeing any actions that actually show that support. What suggestions would you have to bring that on?

Mr. Harvey Cooper: Thanks very much for the question around new supply. Overall, as Nicole mentioned in her submission—and it's in our brief—certainly with the developments that are going forward, very few of them are co-operatives, but overall there is a modest amount of building. But compared to the programs we saw in the 1970s, the 1980s and right up to the early 1990s, it's frankly somewhat of a fraction of what used to be produced.

Hence, the developments that go forward are often asked by the municipal levels of government—because it's very difficult to get a project approved—to perhaps bring an equity contribution to the table, or perhaps have a piece of land that they can access. Certainly for a large, let's say, municipal non-profit like TCHC or a developer

who's holding a piece of land, they can think long-term. They have the finances and the resources to participate in the program and hope to get a return over X number of years.

For a small, community-based co-op or co-operative, what we have here is, I think, an un-level playing field. I think there are some improvements in that program that we could make that would balance it and we'd get a greater yield of co-ops and non-profits.

The Chair (Ms. Soo Wong): Thank you. Ms. Forster, your round of questions.

Ms. Cindy Forster: Thank you, Harvey. Nicole, thanks for being here today. You'll be happy to know, if you don't already, that Cheri DiNovo, my colleague from Parkdale-High Park, has already tabled the inclusionary zoning bill, probably for the fourth time—right?—in her career here at Queen's Park. I don't know when her bill's slot is, but stay tuned.

Anyway, we have consistently supported inclusionary zoning. I know that you've had numerous discussions with the ministry. What are the major barriers, if any, that are preventing this government from actually enacting that zoning?

Mr. Harvey Cooper: I think it would be difficult for me to identify from the government's side why this hasn't moved forward. We've included it in this submission. We included it in previous submissions. It's certainly a very low-cost way, given particularly the condo boom that's going on in Toronto, the GTA, Ottawa—it has worked in a number of American jurisdictions. I suspect, and I'll leave it to others who are in those discussions, that probably may not be welcomed by certain components of the development industry. Like anything new, it's a change. In the long run, where it's worked in other jurisdictions—and I think Legislatures from all parties would be interested in solutions that do work—they have found it economically feasible.

Sometimes you have to try something a little bit different that has, in this case, a proven track record, particularly given the challenges we're facing in adding new units in this province. I'd encourage everyone to have a good, hard look at this.

The Chair (Ms. Soo Wong): Thank you, Mr. Cooper, and thanks, Ms. Waldron. Thank you to both the witnesses who are here today.

Ms. Nicole Waldron: Thanks so much for having us. Have a good day.

CUPE ONTARIO

The Chair (Ms. Soo Wong): Our final witness is from CUPE Ontario, Mr. Fred Hahn. Mr. Hahn, welcome. Come on down. You have 10 minutes for your presentation. There are six minutes, so each party will get two minutes for their questions to you; I just want to make sure. Can you please identify yourself for the record?

Mr. Fred Hahn: Sure. My name is Fred Hahn. I'm the president of CUPE Ontario. I don't have a brief for

you today. I thought I'd just come and talk to you all about this budget because, at the end of the day, we have a majority government and it's unlikely that there's going to be a whole bunch of changes to the budget, which is unfortunate because there are some really good things that could be changed here.

Our union is proud to represent 240,000 folks who live in the province of Ontario. Of course, we're here today to speak on their behalf but also on behalf of their families, their neighbours and their communities because the government said in its throne speech and the budget speech that its intent is to lift people up, to build our province, to move forward. There are some important components of the budget that attempt to do that.

You're raising taxes on high-income earners, folks who can well afford to pay more in taxes, but we're not going to go after the real money—corporations that are paying the lowest corporate tax rates they've been paying since the 1930s, sitting on more than half a trillion dollars in profits that they are not investing to create jobs. There is some real movement that could be made here to actually generate revenue.

There's also a real problem when we take it as a point of pride that we spend the lowest amount per capita on public services of any jurisdiction in Canada. Surely the people of the province of Ontario deserve at least—I don't know—the median spending per capita on public services in the province of Ontario. I think that would make some good sense.

We also raise the lowest amount of revenue per capita. We have the largest province, of course, in the country—you all know that—one of the most diverse in terms of its geography, the number of communities, the makeup of our communities. Surely the people of Ontario deserve something that is truly lifting us up, that truly moves us forward, but instead, some of the progressive ideas that are in the budget are actually undermined by other aspects of it.

On one hand, there are resources to invest in the wages of some of the lowest-paid workers in the province: personal support workers who support us when we're sick, our parents; child care workers who help to raise the next generation of Ontarians; and folks who concern themselves with folks with developmental services, the work that I used to do in the workplace, but at the same time the Premier's on the radio every day saying there's no new money for wages because apparently there are some workers who are deserving of wage increases and some workers who are not.

For example—I don't know—an education assistant who works with disabled children in schools, who makes just under \$30,000 a year, who only works 10 months of the year: I think she deserves a wage increase as well because every penny she earns she spends in her local community, she spends in her local small business. It actually helps her community when she has money in her pocket to spend.

Going back to corporate taxes, when the New Brunswick council of business issues a report saying that the

slashing of corporate taxes in New Brunswick didn't help their economy one bit and actually recommends that the government restore corporate tax rates and says that it would not damage their economy in any way but would generate revenue for government—when the New Brunswick council of business can say that, then I think Ontarians would expect that their government could be brave enough to do the same thing.

I guess I would wrap up by saying we are investing in this budget in infrastructure. That's a good thing. There's a huge infrastructure deficit. But in the budget, after those announcements of billions of dollars to be spent, there are pages and pages espousing public-private partnerships.

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Much of the debate in the last election was about wasting public money. Why did we spend a billion dollars on those gas plants? It wasn't because they got cancelled only; it was because they were public-private partnerships. It was because the corporations who had signed the contracts not only got paid as though they built them, but got paid for the profits that those plants would have generated far into the future, because they signed contracts to do that.

Public-private partnerships waste public money. Yet we're talking about building lots of infrastructure in a model that may in fact replicate that same mistake again and again and again. That doesn't build us up. It doesn't help us to move forward. It doesn't fix the deficit of the province of Ontario. In fact, the International Monetary Fund—who knew that a trade union guy would be sitting here talking to you about the IMF? The IMF says that austerity, cutting back, actually doesn't work in advanced economies that are going through the kinds of challenges that the province of Ontario is facing. The IMF recommends that in a low-interest economy, we should be borrowing public money, investing to build things publicly that we own together. Yet instead, we have a government considering selling off the things that our parents and grandparents built, that we own in common—burning the furniture to heat the house.

We don't need politics; we need some reality. We need long-term thinking. We have a stable majority government now, so let's start talking about reality. Let's start talking about the things we need to do. We need to raise real revenue from those who can well afford to pay it—not just high-income earners, but corporations who are no longer paying their fair share to generate revenue for the province of Ontario. We need to make real investments not just for some workers, but for all of us. We need to create real jobs, and we need to be honest about one other thing. There was an arbitrary date picked for political purposes to get rid of the deficit; "2017-18 sounds good, doesn't it?" No family who invests in their future—who has a mortgage, who borrows money to help send their kids to post-secondary education—picks an arbitrary date and says, "By that date, we're going to pay it all off." They invest in their future. They understand that it's a long-term project. Even if we raise revenue,

even if the government were to be willing to restore corporate taxes, do the right thing and raise additional revenue, it would still be difficult, if not impossible, to balance the budget by 2017-18 without continuing to cut budgets.

Today in the province of Ontario, long-term-care facilities are laying off staff because they have to balance their budgets. That means our parents and grandparents are getting less care. Today in the province of Ontario, child welfare agencies are closing for five days, un-paying their workers and, of course, not offering those vital services to families in need in their communities. I think we can make a different choice, but I think that takes political will.

I thought I would come and at least put that stuff on the record on behalf of our members and really encourage the government, in a majority situation, to consider making real changes—real changes that would lift us up, being honest with the people of Ontario that if we move to balance the books, it doesn't have to be by an arbitrary date, but it has to be done in the right way. The progressive measures in the budget should not be undermined by continuing to follow a false line that even the International Monetary Fund understands doesn't work in economies like ours. You can't cut your way to growth and you can't cut your way to a balanced budget. It's just the truth.

I appreciate your time and attention and wish you well in the budget process.

The Chair (Ms. Soo Wong): Thank you very much for your presentation. This round of questions begins with the PC Party. Mr. McDonell, you can begin.

Mr. Jim McDonell: I just wanted a clarification. This government certainly isn't talking about paying off the debt in two years; they're just talking about not getting further into debt, putting in jeopardy the fact that—interest rates are going up. This is money that could be going into crucial services; it's going to the bankers because we have to service our debt.

The question I have for you: You quote that there is a half a trillion dollars of investments sitting on the sidelines. Why would you think that business is not investing that money? Surely they're not making a great investment on it. It would be better spent in building in this province.

Mr. Fred Hahn: Well, look: I got that figure from the previous governor of the Bank of Canada, who said that it was the big corporations across Canada that were sitting on more than half a trillion dollars and not investing it. Clearly, corporations, companies and business have their objective. It is to increase their profit margins and to have sufficient revenue—understood, and that is what they should be doing, but government should be thinking about how we increase fairness and tax fairness, to generate the kind of revenue that we need to conduct the services that people rely on government to actually provide.

Interest rates haven't risen for four years. The Bank of Canada is keeping the main rate at the same level. In fact,

many analysts are suggesting that it will probably stay there for at least a couple of years. Now is the time to actually borrow in a long-term project to build the kinds of services, supports and infrastructure that we need. Many economists are saying it. Surely it's not just me.

Mr. Jim McDonell: Well, we've racked up a huge amount of debt over the last 10 years, and we've squandered the ability to borrow more. I might suggest that businesses are sitting on the sidelines because they have no confidence that we can turn this province around—that they won't actually lose the money if they do invest it.

We've gotten ourselves into a precarious situation where people are afraid to invest in this province. They look at the government and what they've achieved with the tens or hundreds of billions of dollars wasted in debt now that we have to pay off sometime in the future. I have not heard any of the three parties talk about what they dream would be a date when they could actually pay that off, because it's a huge debt that dwarfs the rest of the provinces in this country.

Mr. Fred Hahn: Well, the size of our population dwarfs the rest of the provinces in Canada as well, and look: debt and deficit are two different things—

Mr. Jim McDonell: We don't dwarf. We're only a third of the population. Our debt is greater than all the others.

The Chair (Ms. Soo Wong): Be brief in your response, because you have two minutes. You're already almost past the two minutes, so really quickly.

Mr. Fred Hahn: Sure. Our parents and their parents built Canada and built Ontario by having long-term debt that financed our future. It's the way families operate. It's the way government operates. There's nothing wrong with that.

The Chair (Ms. Soo Wong): Thank you. Ms. Forster?

Ms. Cindy Forster: Thanks for being here today, Fred. Given your read of the budget and the fiscal framework, is it CUPE's belief that, if there are no changes made to this framework over this finance committee process and amendment process, there will be a need for further service cuts, asset sales and/or both?

Mr. Fred Hahn: Well, we're currently seeing the service cuts, and a number of the ministries are going to experience either flat-lines or cuts to their budgets. While there are some aspects of the budget that make investments, as I said, we're seeing very real cuts to services today. Without changes to the budget that actually not just generate revenue, but also recognize that you have to deal with inflation and other costs in order to provide services—just to maintain them, never mind to enhance them to meet the needs that are actually there in communities.

When child welfare agencies are closing for five days in order to balance their books, denying services to vulnerable children and families in our communities, and when personal support workers are being laid off from long-term-care facilities, so that our parents and grandparents are receiving less service, I think we've got a

problem, and it means that we have to do things differently.

Selling the things that we own in common isn't the answer. Raising revenue from people and corporations who can well afford to pay for it is part of the answer. Then, taking a longer view, not being obsessed with balancing the budget by some artificial date is the other part of that equation.

Ms. Cindy Forster: Thank you.

The Chair (Ms. Soo Wong): Thank you very much. The last question here is from Ms. Vernile.

Ms. Daiene Vernile: Mr. Hahn, thank you very much for your passion. You and I share something in common, and that is that, up until I ran for this election in April, I belonged to a union for 33 years. I believe in unions. I believe that they ensure a fair distribution of profits and they keep the workplace safe and humane, and sometimes they're a buffer against bad bosses, which occurs from time to time.

Not surprisingly, our budget isn't going to make everyone happy. We've heard from all kinds of stakeholders this morning—some who are in favour, and some such as yourself who are raising some concerns—but I will say to you that the budget is there to provide effective and responsible spending in areas where it's necessary, as well as addressing our deficit.

Now, I know that businesses are encouraged during re-elections to speak up, and I heard from a lot of people. I'm from the Kitchener-Waterloo area, where we have an exploding tech sector, and they were very, very happy to see the Liberals re-elected. They want to see us continuing investing in what they are doing.

But here is my question for you: When I was knocking on doors, whether it was a house that had a blue sign out front or somebody who identified as being a lifelong Liberal, everyone said over and over again to me, "I want better bang for my buck. I want better spending." So, I ask you: When you hear that people are concerned about the debt and deficit, how do you respond to that?

Mr. Fred Hahn: I think that it's a question of what "better spending" means. I think that part of what people are saying is that, if we're going to make investments in public infrastructure, then that money should be actually done in a way that's smart, that doesn't line the pockets of corporations that are paying the lowest corporate taxes since the 1930s, that doesn't see us spending a billion dollars on mutual funds that are based in the Cayman Islands, which is what we did with the power plants that were cancelled.

I think the kind of investments that are in the budget in infrastructure are important. They should be done in a public borrowing model that has worked for generations in our country. They shouldn't be done as public-private partnerships.

I think when people talk about smart spending, they also understand that it makes no sense to have child welfare agencies closing for five days to balance their books. It makes no sense, when seniors actually need more care, not less, that we're cutting jobs in order to balance budgets in long-term care. Those things don't make sense. I think when people talk about smart spending, that's the kind of smart spending they're talking about.

The Chair (Ms. Soo Wong): Mr. Hahn, thank you very much for your presentation, and thank you to all the witnesses.

I think we've finished all the witnesses for today. A couple of housekeeping items.

I want to remind the committee members that the written submission is due this afternoon by 4 p.m., so that's really critically important.

Any amendments to Bill 14 need to be submitted in person by 6 p.m. to our infamous Clerk here—right?—in room 1405, Whitney Block. That's 6 p.m. for amendments. So if there is any amendment, it has to be submitted in person to our Clerk here, and then we will be back here at 9 o'clock tomorrow morning for clause-by-clause consideration of Bill 14.

Ms. Forster.

Ms. Cindy Forster: First you said 4 o'clock, and then—

The Chair (Ms. Soo Wong): Four o'clock is the written submission.

Ms. Cindy Forster: Written submission.

The Chair (Ms. Soo Wong): But if there is any amendment to the bill—

Ms. Cindy Forster: Oh, written submission is 4, and amendments are 6. Okay. Good enough.

The Chair (Ms. Soo Wong): So any written submissions are due at 4, but amendments to Bill 14—that's two different things at different times. So amendments must be hand-delivered to the Clerk. They cannot be faxed, cannot be emailed. It has to be submitted to the Clerk by 6 p.m. at 1405, Whitney Block.

Any more questions and comments?

I will be adjourning the committee until 9 o'clock tomorrow morning for clause-by-clause. Thank you very much. Have a great afternoon.

The committee adjourned at 1132.

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Comité permanent des finances et des affaires économiques

Loi de 2014 ouvrant des
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Chair: Soo Wong
Clerk: Katch Koch

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STANDING COMMITTEE ON
FINANCE AND ECONOMIC AFFAIRS

Tuesday 22 July 2014

*The committee met at 0901 in room 151.*BUILDING OPPORTUNITY
AND SECURING OUR FUTURE ACT
(BUDGET MEASURES), 2014LOI DE 2014
OUVRANT DES PERSPECTIVES
ET ASSURANT NOTRE AVENIR
(MESURES BUDGÉTAIRES)

Consideration of the following bill:

Bill 14, An Act to implement Budget measures and to enact and amend various Acts / *Projet de loi 14, Loi visant à mettre en oeuvre les mesures budgétaires et à édicter et à modifier diverses lois.*

The Chair (Ms. Soo Wong): Good morning. I'm going to call the meeting to order and I'm going to read some housekeeping stuff, just to remind everybody. As ordered by the House on Wednesday, July 16, 2014, we assemble here today for the clause-by-clause consideration of Bill 14, An Act to implement Budget measures and to enact and amend various Acts.

Pauline Rosenbaum, legislative counsel, is here today to assist us with our work.

The committee is authorized to sit today from 9 a.m. to noon and from 1 p.m. to 5 p.m. A copy of a number of amendments received at yesterday's 6 p.m. deadline is on your desks.

Committee members will know that by 2 p.m. today I'm required to interrupt the proceedings and shall, without further debate or amendment, put every question necessary to dispose of all the remaining sections of Bill 14 and any amendments thereto. From that point forward, those amendments which have not yet been moved shall be deemed to have been moved and any division required shall be deferred until all remaining questions have been put and taken in succession with one 20-minute waiting period allowed.

Do we have any questions before we commence? Seeing none, okay, all right.

You've probably noticed today that Bill 14 is comprised of three sections which enact 32 schedules. In order to deal with the bill in an orderly fashion, we shall postpone section 3 in order to dispose of the schedule first.

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

COMITÉ PERMANENT DES FINANCES
ET DES AFFAIRES ÉCONOMIQUES

Mardi 22 juillet 2014

Since there have been no amendments filed for schedule 1, are there any questions, comments or discussion for schedule 1? I see none.

I'm going to go through this fairly quickly. Shall section 1 carry? Carried.

Shall section 2 carry? Carried.

Shall section 3 carry? Carried.

Schedule 1, section 1: Shall that be carried? Because this is still with schedule 1, right? There's no amendment. I just heard there's no amendment, no discussion. Schedule 1, section 1: Will that be carried? Carried.

Shall schedule 1, section 2 carry? Carried.

Shall schedule 1 carry? Carried.

Schedule 2, section 1: Is there any debate—because we did not receive any amendments, right? Ms. Forster?

Ms. Cindy Forster: Maybe I'll just speak to the schedule in its entirety, as opposed to speaking to the section.

We're actually opposed to schedule 2. The provisions of this bill relating to the IESO and the OPA merger are inadequate, in our view. The bill does not ensure that the market operations function of the new organization is effectively separated from its procurement and its contract management activities. This bill leaves it up to a board of directors of the new organization to take such steps as it considers appropriate to accomplish the effective separation of functions, and we don't believe that that is acceptable.

The Chair (Ms. Soo Wong): Are there any comments and further debate on this particular schedule? Okay, I'm going to call the question now.

Schedule 2, section 1: Shall it be carried? Carried.

Schedule 2, section 2: Shall that be carried? Carried.

Schedule 2, section 3: Shall that be carried? Carried.

Shall schedule 2 carry? Carried.

Schedule 3, section 1: Shall schedule 3, section 1 be carried?

Interjection.

The Chair (Ms. Soo Wong): Any discussion, comments? Ms. Forster.

Ms. Cindy Forster: I'll speak to schedule 3 in its entirety as well.

We're opposed to schedule 3 actually carrying. This omnibus budget bill does not address the real issues that are concerning Ontarians with respect to affordable housing and home warranties, particularly under Tarion, in Ontario. There are 160,000 people waiting for affordable

housing in this province, and the people need real action, they need real housing actually built to address the housing crisis. Taronis, as we know—and many of you who are new to this Legislature will get numerous complaints in your constituency offices about Taronis—doesn't adequately protect homeowners in this province. For years we've heard from people, from our constituents, who thought that they were covered under the Taronis program, only to find out that they really weren't. When they actually made a claim to Taronis, they ended up with battles in the courts for many years, fighting with the Taronis warranty company which is supposed to be protecting them.

We've raised this issue time and time again, but the Liberal government has chosen to ignore it, so we think that under schedule 3 you should be dealing with issues that affect real people, our constituents in this province, as opposed to proposing this amendment alone.

The Chair (Ms. Soo Wong): Do we have further debate on schedule 3? Ms. Vernile.

Ms. Daiene Vernile: In schedule 3, it refers to the Architects Act or the Professional Engineers Act, and that has nothing to do with what you've been talking about. You refer to this as an omnibus bill, and I would strongly disagree with you; it is not an omnibus bill. You refer to affordable housing, and there is a provision in the budget with great support for affordable housing, \$43 million. I'd like to be on the record as having submitted that.

The Chair (Ms. Soo Wong): Are there any further comments and questions or debate on this particular schedule 3? So I'm going to go back right from the top.

Schedule 3, section 1: Shall it be carried? Carried.

Schedule 3, section 2: Shall it be carried? Carried.

Schedule 3, section 3: Shall it be carried?

All those in favour of schedule 3, section 3? Can we see a show of hands? Those opposed? Carried.

Schedule 3, section 4: Shall it be carried? Carried.

Shall schedule 3 be carried? Carried.

So now we're up to schedule 4. Are there any comments, questions or debate on schedule 4? Seeing none, I'm going to go through the sections.

Schedule 4, section 1: Shall it be carried? Carried.

Schedule 4, section 2: Shall it be carried? Carried.

Schedule 4, section 3: Shall it be carried? Carried.

Shall schedule 4 be carried? Carried.

All right, schedule 5. Are there any comments, questions or debate on schedule 5 before I proceed? Ms. Vernile.

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Ms. Daiene Vernile: I was just adjusting my glasses. Sorry.

The Chair (Ms. Soo Wong): Okay, your glasses.

Schedule 5, section 1: Shall it be carried? Carried.

Schedule 5, section 2: Shall it be carried? Carried.

Schedule 5, section 3: Shall it be carried? Carried.

Schedule 5, section 4: Shall it be carried? Carried.

Shall schedule 5 be carried? Carried.

All right, we're at schedule 6 right now. Is there any discussion or debate on schedule 6? Ms. Forster?

Ms. Cindy Forster: Thank you. We're opposing this amendment as well, although it's a technical housekeeping amendment, according to the details.

This government has had no serious plan for the last year and a half to actually keep its promise of reducing auto insurance rates by 15% across the board. It's another promise made, another promise broken, by the Liberal government. Last week, even the finance minister gave another boost to the auto insurance companies, and he confirmed that the government will not meet its target by cutting auto insurance rates by 8% in August. In fact, average premiums actually increased in the second quarter of this year.

Ontario families need to see real action to reduce those auto insurance rates and we're not seeing it from this government. I think that's where this government should be focusing its attention, making sure that people have more money in their pocket by reducing auto insurance rates, as they promised in the 2013 budget process.

The Chair (Ms. Soo Wong): Okay. Mr. Milczyn?

Mr. Peter Z. Milczyn: Thank you, Madam Chair. What is before us in this clause are simply technical amendments, housekeeping amendments to the act, to allow for better administration of it and ensure there's compulsory automobile insurance.

The Minister of Finance was very clear that most insurance companies have actually reduced their rates over the last quarter. There was one that apparently increased their rates and that threw off the average, but the majority of them were reducing rates. Had there not been an unnecessary election triggered by the opposition, our government's plan to continue reducing rates would have been accelerated and Ontarians would have actually seen more money in their pockets sooner. But we're on track to meet our targets.

The Chair (Ms. Soo Wong): That's great. Any more comments on the debate? Okay, seeing none, I'm going to call schedule 6, section 1: Shall it be carried? Carried.

Schedule 6, section 2: Shall it be carried? Carried.

Shall schedule 6 carry? All right, I hear carried.

Schedule 7: There's a lot more stuff here now. Are there any questions, comments or debate for schedule 7? Seeing none, I'm going to go for it.

Schedule 7, section 1: Shall it be carried? Carried.

Schedule 7, section 2: Shall it be carried? Carried.

Schedule 7, section 3: Shall it be carried? Carried.

Schedule 7, section 4: Shall it be carried? Carried.

Schedule 7, section 5: Shall it be carried? Carried.

Schedule 7, section 6: Shall it be carried? Carried.

Schedule 7, section 7: Shall it be carried? Carried.

Schedule 7, section 8: Shall it be carried? Carried.

Schedule 7, section 9: Shall it be carried? Carried.

Schedule 7, section 10: Shall it be carried? Carried.

Schedule 7, section 11: Shall it be carried? Carried.

Schedule 7, section 12: Shall it be carried? Carried.

Schedule 7, section 13: Shall it be carried? Carried.

Schedule 7, section 14: Shall it be carried? Carried.

Schedule 7, section 15: Shall it be carried? Carried.

Schedule 7, section 16: Shall it be carried? Carried.

Schedule 7, section 17: Shall it be carried? Carried.

Shall schedule 7 be carried? Carried.

All right, so now to schedule 8. Are there questions, comments or debate for schedule 8? Seeing none—

Ms. Ann Hoggarth: Excuse me.

The Chair (Ms. Soo Wong): Yes, Ms. Hoggarth?

Ms. Ann Hoggarth: On page 13 of the one we just did—

The Chair (Ms. Soo Wong): Schedule 7.

Ms. Ann Hoggarth: —is there not a section 18, 19, 20, 21, 22 and 23?

The Chair (Ms. Soo Wong): I'll check with staff.

Ms. Ann Hoggarth: No?

Interjection.

Ms. Ann Hoggarth: No, it goes to section—

The Chair (Ms. Soo Wong): The Clerk's going to bring the—

Ms. Ann Hoggarth: It goes to section—

The Chair (Ms. Soo Wong): It ends at 17. According to—

Interjections.

Ms. Ann Hoggarth: Okay. Thanks for the clarification.

The Chair (Ms. Soo Wong): We're on to schedule 8. Are there any questions, comments or debate on schedule 8? Seeing none, I'm going to read it through.

Shall schedule 8, section 1 be carried? Carried.

Shall schedule 8, section 2 be carried? Carried.

Shall schedule 8 be carried? Carried.

Now we have schedule 9. Are there any questions, comments or debate on schedule 9? None.

Shall schedule 9, section 1 be carried? Carried.

Shall schedule 9, section 2 be carried? Carried.

Shall schedule 9, section 3 be carried? Carried.

Shall schedule 9, section 4 be carried? Carried.

Shall schedule 9, section 5 be carried? Carried.

Shall schedule 9, section 6 be carried? Carried.

Shall schedule 9, section 7 be carried? Carried.

Shall schedule 9, section 8 be carried? Carried.

Shall schedule 9, section 9 be carried? Carried.

Shall schedule 9, section 10 be carried? Carried.

Shall schedule 9, section 11 be carried? Carried.

Shall schedule 9, section 12 be carried? Carried.

Shall schedule 9 be carried? Carried.

Okay, we're on schedule 10. Are there any questions, comments or debate on schedule 10? Seeing none, I'm going to call it.

Schedule 10, section 1: Shall it be carried? Carried.

Schedule 10, section 2: Shall it be carried? Carried.

Shall schedule 10, section 3 be carried? Carried.

Shall schedule 10, section 4 be carried? Carried.

Shall schedule 10, section 5 be carried? Carried.

Shall schedule 10, section 6 be carried? Carried.

Shall schedule 10, section 7 be carried? Carried.

Shall schedule 10, section 8 be carried? Carried.

Shall schedule 10, section 9 be carried? Carried.

Shall schedule 10, section 10 be carried? Carried.

Shall schedule 10, section 11 be carried? Carried.

Shall schedule 10, section 12 be carried? Carried.

Shall schedule 10, section 13 be carried? Carried.

Shall schedule 10, section 14 be carried? Carried.

Shall schedule 10 be carried? Carried.

Thank you. All right.

I've received notice from staff that a PC notice notified the committee that there is some information. So, Mr. Fedeli, do you want to comment?

Mr. Victor Fedeli: Yes. This is on schedule 11.

The Chair (Ms. Soo Wong): That's right, schedule 11.

Mr. Victor Fedeli: This is the Gasoline Tax Act. We're recommending that we vote against schedule 11. May I ask the Clerk a question? Do I read the reason for the notice rather than the motion? Do I read that paragraph or just get into my comments?

The Clerk of the Committee (Mr. Katch Koch): It's not necessary; just debate the—

Mr. Victor Fedeli: Thank you, then, Chair.

So we are recommending that this committee vote against the Gasoline Tax Act. We've heard from speakers who spoke rather passionately yesterday about the ill effects to the aviation sector that this will have. They spoke about the fact that increasing from 2.7 cents to 6.7 cents over the coming four years—a penny increase a year—is going to be very harsh on the sector. They talked about their calculations of 292,000—another professor talked about 400,000—passengers being affected. I brought up the comment that this not only affects passenger travel, which includes holiday travel, of course, but important business travel and medical travel. All will have increased costs. This is where the 292,000 passengers will be affected. They talked about the fact that this is an economic stimulus for the Buffalo airport and for other airports in northern US border cities.

0920

I am particularly concerned with the cargo aspect of it as well. Many of our goods that are manufactured in Ontario are shipped by air. Materials that we receive are also shipped in by air. This makes the cost of selling and the cost of buying more expensive to the consumer.

When you look at what's happening in other jurisdictions, particularly here in Canada—the British Columbia model, for instance, where they've eliminated the fuel tax on international flights. I've never seen a tax that creates business, but we do know that higher taxes hurt business. When British Columbia eliminated the fuel tax on international flights, the Vancouver airport ended up with 22 new international carrier flights in and out of Vancouver airport, which creates excellent economic development for their repair and overhaul facilities, for their passengers who are doing the travelling and for their ground crews. More people are hired to accommodate 22 additional international carrier flights.

Higher taxes don't create jobs; lower taxes create jobs. As a businessperson, a lifelong entrepreneur, I can tell you I've never found a tax that has caused businesses to jump up and down and rush to Ontario. This is a tax that

will cost jobs in Ontario, and that's why we will be voting against this.

I will ask for a recorded vote on this one. Thank you.

The Chair (Ms. Soo Wong): All right. Any questions or comments? Mr. Milczyn.

Mr. Peter Z. Milczyn: Yes. It's really clear that the purpose of this is to bring some more equity back into the equation of how we fund transportation. This particular sector has not seen any change in the tax on aviation fuel in over a dozen years now—actually, closer to 20 years—

Interjection: Twenty-two years.

Mr. Peter Z. Milczyn: —at a time when the price, as a percentage of the cost of the fuel—that tax has become really a marginal component of it. So it's not unreasonable to want this one sector of the transportation economy to pony up a little bit more money to help fund the other improvements to transportation that we need that actually help the aviation sector. This government's investment in the Union-Pearson air-rail link is an example of something that will actually move more people more easily to Pearson, to make that a more accommodating airport hub for business, and even tourism and leisure travel.

What we also know is that one of the key drivers for high costs in our local market in terms of aviation is the exorbitant landing fees that the federal government charges Pearson airport, making Pearson one of the most expensive airports in the world to land at. That's thanks to the federal government, which has been petitioned repeatedly to bring more equity and to actually bring Pearson's fees more in line with other airports across the country. It seems to be another example of the federal government treating Ontario differently than it treats some of the other provinces.

But in any case, we know that Pearson airport actually is attracting more and more international travel, including more and more Americans using Pearson as the key point for them to travel internationally. So yes, we lose some travellers to Buffalo airport for the \$90 flights down south, which are really as a result of the greatly deregulated US airline industry that doesn't have the same safety features and the other safeguards that we do, but yet for the higher value-added travel we're attracting Americans to fly through Pearson, to fly to Asia, to fly to Europe and to fly to South America in some cases. There are two sides to that story.

The other aspect of that that I want to touch on is, when we talk about southern Ontario travellers going to Buffalo—

Interjection: Flint.

Mr. Peter Z. Milczyn: Or Flint—the US federal government greatly subsidizes the operations of the airports. The Canadian model is actually that the airports pay their way and they are not subsidized by taxpayers. They operate as stand-alone businesses—maybe with the exception of Pearson, which is gouged by the federal government with exorbitant landing fees, but otherwise that is also a key difference between American airports and especially

the small American airports that benefit from US-style, pork-barrel politics of great subsidies for marginal regional airports.

Back to this point, Madam Chair: It's important that this government find ways to fund transportation and public transportation improvements that will actually help with promoting Pearson and other airports as good modes of transportation and integrating it altogether to make it easier for people to access airline travel and reduce the carbon footprint of us on the ground before we go up in the air by having less traffic going to Pearson airport, perhaps less traffic going to other airports elsewhere in Ontario where we're also going to be making significant improvements in public transportation. Thank you, Madam Chair.

The Chair (Ms. Soo Wong): I also have Ms. Hoggarth.

Ms. Ann Hoggarth: Thank you, Chair. I don't know any government that has left something alone for 22 years and not raised it. I do not think that this is going to be a terrible imposition on the airlines. I believe that it is indeed time to look to the federal government to reduce the exorbitant taxes that they put on the airlines, and perhaps that could help them.

The Chair (Ms. Soo Wong): Ms. Vernile.

Ms. Daiene Vernile: Chair, I would just like to add a few comments, adding to what my cohorts here have said, and that is to look at the comparisons. We're talking about 6.7 cents per litre, and when you compare that to what you see happening around the world, that is considerably less. So Paris, Chicago, New York—Heathrow is charging almost 70 cents per litre on fuel taxes. So under seven cents, which is what we are proposing, is considerably less. Again, this money is going to go to funding long-term economic growth and job creation.

I'd also like to state that the Minister of Finance has said that he would work with the Ministry of Transportation to provide relief to vulnerable communities, especially those in remote areas in northern areas of Ontario.

The Chair (Ms. Soo Wong): Any further comments? Mr. Bailey.

Mr. Robert Bailey: Yes, I'd like to support my colleague's opposition to this. I've talked to the Sarnia airport operations. This is something that they're opposed to as well. They're a small airport. They're trying to maintain service. It's fine to talk about these big airports like Toronto; you're not going to lose that many passengers I'm sure, but in Sarnia, to maintain it there, for the industry and the tourist community that travel back and forth between southwestern Ontario—and I'm sure the London airport; I'm sure my colleagues from the London area will have something to say about this as well.

I'm opposed to this. As my colleague noted a few minutes ago, yesterday it took 23 minutes to—

Interjection: Actually, it was 17.

Mr. Robert Bailey: —17 minutes to blame the federal government for something that they're having to do; today, it only took 23. Anyway, I'll be opposed to this as well.

The Chair (Ms. Soo Wong): Mr. Fedeli.

Mr. Victor Fedeli: Thank you, Chair. I did want to respond to a couple of things that were stated. You said that you're not sure about any airports that operate without taxpayer funds. Actually, you said that airports operate without taxpayers' funds specifically—what I wrote is, “operate without taxpayer money.” I have to remind you that most airports in Ontario are owned by the municipalities, and they are fuelled and fed by the taxpayer. Virtually every airport in Ontario operates under taxpayer money. So I would look to correct that statement.

Also to mention that the airports in the United States are not safe: This was quite a shocking revelation worth following up on, to look at what is referred to by the member on the US safety record. I'll be questioning that a little later, perhaps in the Legislature, as well.

0930

And to hear that because the tax hasn't been raised since 1992—“What taxes haven't been raised since 1992?” was another comment. We'll also be looking at that question: What taxes haven't been raised? Does that mean that the Liberal government will be raising other taxes that have not been raised since 1992? We'll have to look carefully at what other taxes have been left untouched that are now coming under threat by this government. By that very comment, we are going to be questioning what other taxes will be raised.

I thank the Chair for the opportunity to comment on the three comments that were made that I found alarming, accusatory or incorrect.

The Chair (Ms. Soo Wong): Mrs. Albanese?

Mrs. Laura Albanese: I would just like to put on the record that this budget reflects the platform that we ran on and it does not include any tax increases.

At the same time, Madam Chair, I would ask you to put the question at this point.

The Chair (Ms. Soo Wong): I do have one more speaker.

Mr. Milczyn?

Mr. Peter Z. Milczyn: Just to Mr. Fedeli's remark: I do apologize because I'm not familiar with every airport in the province, and I take his point that there may be a number of smaller airports in the province that might be municipally owned and perhaps they get municipal support. When I was speaking about the Toronto experience, the larger airports across this country, the key gateways like Pearson, Trudeau, Vancouver airports—all of them operate on strictly a business model where they pay for themselves and there are no taxpayer subsidies. I may stand corrected about certain smaller airports. It wasn't my intention to mislead anybody or make an incorrect statement.

The Chair (Ms. Soo Wong): Thank you. I heard earlier that Mr. Fedeli wants the schedule to be a recorded vote, so I'm going to ask the committee's indulgence. Instead of reading each section, I'm going to lump them as sections 1 to 4 and ask for a recorded vote, which means that everybody has to raise their hand. I just want to make sure of that.

Schedule 11, section 1 through section 4, inclusive: Shall they be carried?

Ayes

Albanese, Baker, Hoggarth, Milczyn, Vernile.

Nays

Bailey, Fedeli.

The Chair (Ms. Soo Wong): Carried.

Shall schedule 11 be carried? Recorded vote.

Ayes

Albanese, Baker, Hoggarth, Milczyn, Vernile.

Nays

Bailey, Fedeli.

The Chair (Ms. Soo Wong): Schedule 11 is now carried.

Now we're on schedule 12. Are there any debates on schedule 12? Ms. Hoggarth?

Ms. Ann Hoggarth: Could I just ask a question? I notice that our friends from the third party did not vote one way or the other. Will that be recorded as an abstention? I just want everyone to know they were in the room when this was done.

The Chair (Ms. Soo Wong): No.

Ms. Ann Hoggarth: No?

The Chair (Ms. Soo Wong): They have a right to abstain. We don't record—

Ms. Ann Hoggarth: So when people read this, they would think that they're not even in the room?

The Chair (Ms. Soo Wong): Well, they would know that they're in the room because—they just didn't vote for schedule 11.

Ms. Ann Hoggarth: Okay. Thank you.

The Chair (Ms. Soo Wong): We just don't record abstentions.

We're now on schedule 12. Are there any questions, comments or debate on schedule 12? Seeing none, shall schedule 12, section 1 be carried? Carried.

Shall schedule 12, section 2 be carried? Carried.

Shall schedule 12, section 3 be carried? Carried.

Shall schedule 12 be carried? Carried.

All right. So we're now on schedule 13. Are there any questions, comments or debate on schedule 13? Ms. Forster.

Ms. Cindy Forster: Thank you, Chair. So, once again, this is just another technical amendment when we really should be addressing the issue of the child care crisis in this province and expanding safe, affordable non-profit child care. This government refuses to acknowledge that there's a crisis in this province.

Unfortunately, this budget and this bill do nothing to address the lack of child care spaces in the province and the impending closure of child care facilities in 18 communities across the province. For that reason, I will be opposing this particular schedule.

The Chair (Ms. Soo Wong): Okay. Are there any further comments or debate on this particular schedule? Seeing none, I'm going to go forward with it.

Shall schedule 13, section 1 be carried? Carried.

Shall schedule 13, section 2 be carried? Carried.

Shall schedule 13 be carried? Carried.

Schedule 14: Any questions, comments or debate on schedule 14? All right. I'm going to call it.

Shall schedule 14, section 1 be carried? Carried.

Shall schedule 14, section 2 be carried? Carried.

Shall schedule 14, section 3 be carried? Carried.

Shall schedule 14, section 4 be carried? Carried.

Shall schedule 14, section 5 be carried? Carried.

Shall schedule 14, section 6 be carried? Carried.

Shall schedule 14, section 7 be carried? Carried.

Shall schedule 14, section 8 be carried? Carried.

Shall schedule 14 be carried? Carried.

Okay. Now, I notice that we have, from the PC Party, notice of a motion. Right? Mr. Fedeli.

Mr. Victor Fedeli: Thank you very much, Chair. So this is the interim appropriation. Basically, this schedule enacts the appropriation authorizing the expenditures. Chair, I would like to read a couple of sentences from Don Drummond, because they apply specifically to this spending.

Don Drummond outlined some big-ticket reforms that he said would be "an important turning point in the province's history." He called for a "sharp degree of fiscal restraint." He said, "The government must take daring fiscal action early," and "act swiftly and boldly." To balance the budget will require "tough decisions," the treatment will be "difficult," and "most of the burden ... must fall on spending." He called for "a wrenching reduction from the path that spending is now on."

Here we are, Chair, more than two years later, and the Liberal government are now implementing an expenditure review to study whether to take any of that urgent action that was recommended by their own economist.

So, Chair, this authorizes major expenditures, which is exactly what Don Drummond recommended against. Therefore, we will be opposing this schedule 15.

The Chair (Ms. Soo Wong): Okay. I have—

Mr. Victor Fedeli: And I'll ask to record again.

The Chair (Ms. Soo Wong): Recorded vote, okay.

I have Ms. Hoggarth first.

Ms. Ann Hoggarth: Well, I would ask our honour-able opponents—I have seen this—

Mr. Victor Fedeli: We're not really opponents; we're colleagues.

Ms. Ann Hoggarth: All right, colleagues.

Mr. Victor Fedeli: Thank you.

Ms. Ann Hoggarth: Sorry. That's a newbie error.

I've seen on the TV, mainly from the USA, where this kind of—if we are not doing this, passing this motion, it

means that probably we would be willing to shut down government, stop salaries and services. I don't think there's anyone on this committee who is willing to do that. I sure hope not. So I will be voting for this—not for the amendment, but for the motion.

The Chair (Ms. Soo Wong): Okay. Mr. Milczyn.

Mr. Peter Z. Milczyn: Well, our friend across the table here used the word "wrenching." Indeed, Mr. Drummond made a lot of good recommendations that were accepted. Not all of his recommendations were accepted because at the end the day, people are elected to make wise decisions that respect the will of the people and that provide the services that they want. In the election, there were wrenching alternatives proposed, and those were rejected by the voters.

0940

This government, in this budget, continues to have the lowest per capita spending on government services of any provincial government in the country, and we're continuing on that track. We are making the tough decisions, and we are showing fiscal restraint.

The Chair (Ms. Soo Wong): Ms. Vernile?

Mr. Victor Fedeli: Can I correct something, Chair? I did not call for "wrenching"; it was Don Drummond who called for "a wrenching reduction from the path that spending is now on." I'm quoting Don Drummond.

The Chair (Ms. Soo Wong): Ms. Vernile.

Ms. Daiene Vernile: To our PC colleagues, just to remind you, our plan is to balance the budget by 2017-18. That comes just a year after your proposed plan which involved firing 100,000 people. Our plan came just a year after, but it didn't involve firing that many public sector workers.

I want to get it on the record: Are you determined to shut down the government that was elected on June 12 to follow through on the budget? This is what the people of Ontario voted for. That involves stopping the salaries of people who work for Ontario who are providing services for this province. Is that what you are determined to do?

The Chair (Ms. Soo Wong): Further debate? Ms. Forster.

Ms. Cindy Forster: I'd just like some clarification on my colleague's remarks. You said that you weren't going to actually fire that many. How many are you going to fire?

Ms. Daiene Vernile: That's not what we're talking about here. I asked a question here of our PC members. They are the ones who moved this motion to stop it. I want to ask them: Are you determined to shut down the government? That is going to stop the salaries of people in this province who provide services. Is that your intention?

The Chair (Ms. Soo Wong): I don't think there's going to be—okay. Any further debate? Seeing none, I'm going to go through this.

I heard "recorded vote," so I'm going to go through each schedule and section clearly so we see a show of hands. What we could do to make it faster is, I can say,

“Sections 1 to 7, inclusive: All those in favour? All those opposed?”—okay?

Schedule 15, sections 1 through 7, inclusive: All those in favour, raise your hands.

Ayes

Albanese, Baker, Hoggarth, Milczyn, Vernile.

Nays

Bailey, Fedeli.

The Chair (Ms. Soo Wong): Carried.

Shall schedule 15 be carried? All those in favour? All the hands, because we’ve got to record it.

Ayes

Albanese, Baker, Hoggarth, Milczyn, Vernile.

Nays

Bailey, Fedeli.

The Chair (Ms. Soo Wong): Schedule 15 is now carried.

Schedule 16: Are there any questions, comments or debate on schedule 16? Seeing none, shall schedule 16, section 1 be carried? Carried.

Shall schedule 16, section 2 be carried? Carried.

Shall schedule 16 be carried? Carried.

Now we go on to schedule 17. Any questions, comments or debate on schedule 17?

Mr. Victor Fedeli: A recorded vote, please, Chair.

The Chair (Ms. Soo Wong): A recorded vote has been asked for. Any debate or comments to schedule 17? I’m going to need a show of hands. Schedule 17, section 1: All those in favour?

Ayes

Albanese, Bailey, Baker, Fedeli, Forster, Hoggarth, Milczyn, Vernile.

The Chair (Ms. Soo Wong): It carries.

Schedule 17, section 2: All those in favour? This is a recorded vote. You asked for recorded votes.

Ayes

Albanese, Bailey, Baker, Fedeli, Forster, Hoggarth, Milczyn, Vernile.

The Chair (Ms. Soo Wong): That carries.

Shall schedule 17 be carried? Can I see a show of hands?

Ayes

Albanese, Bailey, Baker, Fedeli, Forster, Hoggarth, Milczyn, Vernile.

The Chair (Ms. Soo Wong): Schedule 17 is now carried.

Schedule 18: Are there any questions, comments or debate for schedule 18? Seeing none, shall schedule 18, section 1 be carried? Carried.

Shall schedule 18, section 2 be carried? Carried.

Shall schedule 18 be carried? Thank you. Schedule 18 is carried.

Schedule 19: Are there any questions, comments or debate? Seeing none, all right, let’s go. Shall schedule 19, section 1 be carried? Carried.

Shall schedule 19, section 2 be carried? Carried.

Shall schedule 19, section 3 be carried? Carried.

Shall schedule 19 be carried? Carried. Schedule 19 is done.

Schedule 20: Any questions, comments or debate? Shall schedule 20, sections 1 and 2, inclusive, be carried? Carried.

Shall schedule 20 be carried? Schedule 20 is carried.

Schedule 21: Any questions, comments or debate for this schedule? Seeing none, schedule 21, sections 1 and 2, inclusive: Will that be carried? Carried.

Shall schedule 21 be carried? Thank you, schedule 21 is carried.

Schedule 22: Are there any questions, comments or debate for schedule 22? Seeing none, shall schedule 22, sections 1 through 4, inclusive, be carried? Carried.

Shall schedule 22 be carried? Carried. Thank you.

Schedule 23: Are there any questions, comments or debate? There are 16 sections to this schedule, so I’m going to ask for the committee’s indulgence. I’m going to collapse them as one vote, okay? Shall schedule 23, sections 1 through 16, inclusive, be carried? Carried.

Shall schedule 23 be carried? Thank you. Schedule 23 is now carried.

We have notices from the PC Party that there is an amendment. Mr. Fedeli.

Mr. Victor Fedeli: Thank you, Chair. This section 24, the Ontario Loan Act, authorizes the crown to borrow up to a maximum of \$19.5 billion, which is what we expect the debt to grow by this year. We’ve always said we expected the debt to grow by \$20 billion, so we were never that far off from what may happen here.

We know that the deficit is forecast at \$12.5 billion this year. We know that in 2003, when this government took over, our debt was \$139 billion. Here we are 11 years later and our debt is now over \$280 billion. It has more than doubled. It took 137 years to get to \$139 billion and it took 11 years to more than double it to \$280 billion-plus.

Because this government has not been able to balance the budget, we’ve seen them—I call it digging for nickels and dimes in the couch, but these are big and very serious nickels and dimes that have consequences.

We've seen cuts. We've seen a tremendous amount of cuts in the last year. We've seen physiotherapy for seniors cut last year. We've seen cuts to diabetes testing strips over the last year. We've seen cuts for two years now to cataract surgeries; 39 days, actually, were lost this year in cataract surgeries because this government can't balance their budget.

We've seen tremendous cuts to front-line health care. In my community of North Bay, we have nurses who were fired last year and nurses who were fired this year. This is real; these have happened. Last year we had 40 front-line health care workers cut from the hospital. This year, they have announced they are closing 60 beds. I got an email on the weekend from CUPE announcing that the bed closures have indeed started. Two weeks ago, we lost 34 front-line health care workers because this government can't balance their budget.

0950

We saw eight teachers fired in my community three weeks ago now. We saw 67 telecommunications workers who work for the province of Ontario at the Ontera division of Ontario Northland terminated, all in the hope that this government could balance the budget. We need to vote against the Ontario Loan Act. We need to stop the spending and stop the borrowing.

With respect to the 67 telecom workers who are a result of this, Chair, that came because a couple of years ago, March 2012, the then Minister of Northern Development and Mines announced that they would be dissolving Ontario Northland with the hope of saving \$265 million to help balance the budget. It was in the budget to save \$265 million for the purpose of balancing the budget—to not have to borrow this \$19.5 billion.

To be quite blunt, I never believed that from the start and came out very early against that, Chair, and spoke very heavily that the math doesn't add up. We're not going to save this money and they're going to end up having to borrow, just as they are recommending to do today. In fact, I felt so strongly about it that in one of the committees we asked the Auditor General to step in. With the support of the NDP, we were able to bring the Auditor General in and, indeed, what she said was that you will not save \$265 million. In fact, it will cost you \$820 million. That's the December 2013 Auditor General's report where she outed the truth of the sale, and yet this government, this month, is continuing with the sale of Ontera even though it will not help this Ontario Loan Act. It will not help. In fact, the auditor's numbers pointed to the fact that to sell off Ontera will actually not save any money. It will cost the taxpayers between \$50 million and \$70 million just to sell a division that they were selling to save money.

That \$50 million to \$70 million needs to be borrowed. We don't have it. We have a deficit in Ontario. It's part of that \$19.5 billion that the government here wants the permission of this Legislature to go and borrow. For that, and all of the other reasons I've mentioned, we cannot support this and the further cuts.

The Chair (Ms. Soo Wong): Okay. I have Ms. Hoggarth.

Ms. Ann Hoggarth: Just in regard to the—did you say 10 teachers were fired?

Mr. Victor Fedeli: Eight.

Ms. Ann Hoggarth: Eight teachers were fired. First of all, usually the term is that they're declared "surplus" from their schools and then they are found a job in another school. If that is not able to happen, they are declared redundant. When school goes back in in the fall, if there are sufficient students to have more teachers, they are the first ones who must be given back their jobs, and that is in place for two years. So they are not fired. I really think that was ill-stated.

The Chair (Ms. Soo Wong): Any other comments?

Mr. Victor Fedeli: They consider themselves fired, but I'll give them the comfort that you're passing on to them.

The Chair (Ms. Soo Wong): Any other comments? Mr. Milczyn?

Mr. Peter Z. Milczyn: I'm new here, so I'm still trying to follow the logic. Our friends across the table are upset about a deficit, upset about borrowing, upset about what they say are cuts to services, yet their recipe to balance the budget was to fire 100,000 people. So I don't entirely follow that, but I'm going to be supporting this budget because it's not firing 100,000 people and it's not cutting those services.

The Chair (Ms. Soo Wong): Any further comments?

Interjection: Recorded vote.

The Chair (Ms. Soo Wong): I hear a recorded vote. So this is what we're going to do: I'm going to read each section. I need a show of hands.

Schedule 24, section 1.

Ayes

Albanese, Baker, Hoggarth, Milczyn, Vernile.

Nays

Bailey, Fedeli.

The Chair (Ms. Soo Wong): Schedule 24, section 1: Carried.

Schedule 24, section 2.

Ayes

Albanese, Baker, Hoggarth, Milczyn, Vernile.

Nays

Bailey, Fedeli.

The Chair (Ms. Soo Wong): Section 2 is now carried. Schedule 24, section 3.

Ayes

Albanese, Baker, Hoggarth, Milczyn, Vernile.

Nays

Bailey, Fedeli.

The Chair (Ms. Soo Wong): Carried.
Schedule 24, section 4.

Ayes

Albanese, Baker, Hoggarth, Milczyn, Vernile.

Nays

Bailey, Fedeli.

The Chair (Ms. Soo Wong): That's carried.
Shall schedule 24 be carried?

Ayes

Albanese, Baker, Hoggarth, Milczyn, Vernile.

Nays

Bailey, Fedeli.

The Chair (Ms. Soo Wong): Schedule 24 is now carried. Thank you.

Now in schedule 25: Are there questions, comments or debate on schedule 25? I believe there are 15 sections to this particular schedule. We're going to collapse it into one vote.

Shall schedule 25, sections 1 through 15 inclusive, be carried? Carried.

Shall schedule 25 be carried? All right, thank you. Schedule 25 is now carried.

We're now at schedule 26. I think the PCs have a notice. Right?

Mr. Victor Fedeli: We do.

The Chair (Ms. Soo Wong): On section 8. Are there any questions or comments to sections 1 through 7 before we go forward? Ms. Forster.

Ms. Cindy Forster: New Democrats have—are we dealing with his amendment first or are we dealing with—

The Chair (Ms. Soo Wong): I just want to ask: Are there any questions and comments or debate on sections 1 through 7? Ms. Forster.

Ms. Cindy Forster: New Democrats have serious concerns about this schedule and about the security of pension plans in this province. We think it's problematic the way it's currently written, particularly regarding the conversion of the single-employer pension plans to jointly sponsored pension plans. The legislation reaches beyond the public sector and into the private sector and really would allow the government the ability to allow any

single-employer plan in the private sector to be converted into a jointly sponsored pension plan without member consent. We think that that is really too far-reaching.

The Chair (Ms. Soo Wong): Are there any other questions or comments or debate on sections 1 through 7? So can I just collapse them all and ask the question?

Shall schedule 26, sections 1 through 7, be carried? Carried.

Now we're going to deal with section 8. Mr. Fedeli.

Mr. Victor Fedeli: Yes, and I would look for a recorded vote on this one, please.

So as you saw, we weren't in objection to the section that amends the interpretation of spouse and the technical amendments of the transfer of assets, but we do object to the approval of the conversion of the pension plans without proper due diligence, and that's the rest of schedule 26. This has the potential to be a billion-dollar concern, Chair. We caution the government to keep the fairness to the taxpayer, as well as the members of these single-employer plans.

It's open-ended in terms of cost and the obligations to the employer. We just truly don't know what the liabilities are or what they could be. This could be, as I said, significant. It could be a billion-dollar obligation on the part of the government—nobody knows—and there's no real clear way to see the details because the government has not supplied them.

Single-employer public pension plans, SEPPs, include 41,000 members of the Ontario public employees' pension plan, 13,000 members of the TTC pension plan, all of the universities, all of the colleges, as well as hospital worker pension plans. We truly don't know the state of these plans and the true calculation of their unfunded liabilities that would be needed to bail out these plans in order to convert and combine the plans into a jointly sponsored pension plan.

As I mentioned in the earlier discussion on section 24, we're talking about exercising restraint and honouring our fiduciary responsibility. I would think that we actually need to study the implications of these sections far deeper, and as such, we cannot support section 8 at this time.

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The Chair (Ms. Soo Wong): Okay. Are there any questions or comments? Mr. Milczyn.

Mr. Peter Z. Milczyn: Just a comment. The member mentioned the TTC. The TTC has already been converted to a jointly sponsored pension plan—about a year ago.

The Chair (Ms. Soo Wong): Any other comments? I heard Mr. Fedeli wants section 8 to be a recorded vote—or all the other sections?

Mr. Victor Fedeli: Just section 8.

The Chair (Ms. Soo Wong): Just section 8. Okay. We have a recorded vote requested.

Ayes

Albanese, Baker, Hoggarth, Milczyn, Vernile.

Nays

Bailey, Fedeli.

The Chair (Ms. Soo Wong): That particular section is now carried.

Are there any questions, comments or debate for sections 9 through 15? Any comments, questions, debate? Seeing none, I'm going to go through, collapsing them.

Shall schedule 26, sections 9 through 15, inclusive, be carried? Carried.

Shall schedule 26 be carried?

Mr. Victor Fedeli: Recorded vote.

The Chair (Ms. Soo Wong): Oh, you want a recorded vote. Okay.

Ayes

Albanese, Baker, Hoggarth, Milczyn, Vernile.

Nays

Bailey, Fedeli, Forster.

The Chair (Ms. Soo Wong): Schedule 26 is now carried.

Schedule 27: Are there any questions, comments or debate on schedule 27? Seeing none, I'm going to call the question. Shall schedule 27, sections 1 through 2, inclusive—shall it be carried? Carried.

Shall schedule 27 be carried? Thank you. Schedule 27 is now carried.

Schedule 28: Are there any questions, comments or debate for schedule 28? There are 18 sections to this schedule. All right. I see the hand. Mr. Fedeli has a comment.

Shall schedule 28, sections 1 through 18, inclusive, be carried? Carried.

Shall schedule 28 be carried? Thank you. Schedule 28 is now carried.

Schedule 29: I believe the PCs have a motion only on section 10. I'm going to do section 1 through section 9. Are there any questions, comments or debate for sections 1 through 9? Seeing none, I'm going to call the question. Shall schedule 29, sections 1 through 9, inclusive, be carried? Carried.

Now, Mr. Fedeli, you want to comment on your particular section?

Mr. Victor Fedeli: Yes. This refers to the Ontario Trillium Benefit.

The Chair (Ms. Soo Wong): Okay. Can you move your motion first, Mr. Fedeli? Motion number 5 you have to move on record.

Mr. Victor Fedeli: Oh, I have it here. Sorry about that.

The Chair (Ms. Soo Wong): You need to read it out, please.

Mr. Victor Fedeli: We're on schedule 29?

The Chair (Ms. Soo Wong): Yes.

Mr. Victor Fedeli: I move that subsection 10(1) of schedule 29 to the bill be struck out and the following substituted:

“(1) Subparagraph 2ii and paragraph 3 of subsection 103.3(3) of the act are repealed.”

That's the motion.

The Chair (Ms. Soo Wong): You have the motion. You want to debate this particular amendment?

Mr. Victor Fedeli: I do. I genuinely do, and I ask for a recorded vote.

The Chair (Ms. Soo Wong): Okay.

Mr. Victor Fedeli: I don't want this to sound—well, let me just say that when I first got elected, I was quite surprised at the amount of phone calls that came into the local constituency office on the Ontario Trillium Benefit. I will say especially for anybody who's newly elected, you will be quite surprised at how many people call your office about this.

Other than hydro and, in northern Ontario, road conditions, which are the two really serious phone calls that we get, we found, and many of the MPPs from all parties find, that the Ontario Trillium Benefit is a very frequent phone call when people don't get their cheque. They call about it and wonder what happened. “What happened to the cheque? It used to come every month, and now we don't get it until we get this one lump sum payment.”

They are concerned about the fact that the stagger in the Trillium lump sum payments will continue. Payments for the 2013 benefit year are not doled out until June 2015. I will say, aside from energy and road conditions in the winter, this is by far the single largest volume of phone call complaints we get in our office. I know there's a mechanism to correct this. I know that there's sort of a box to be ticked off, if you will. People don't understand that. They just want to know, “Where's my cheque?” and what happened to the system that they had for years.

We're looking for a very simple correction, Chair. Thank you.

The Chair (Ms. Soo Wong): Okay. I see Mrs. Albanese.

Mrs. Laura Albanese: Yes, thank you. I must disagree. I guess we have different constituencies, but my experience is actually getting phone calls because they could not receive the lump sum for a period of time. Now they can when their cheque is over \$360 a year. The ones who wanted to have the choice—and that was the basis of most of the phone calls that we have been receiving in our constituency office—now do have that choice.

This motion that you have put forward would increase the administration costs to the government, because you're talking at times of cheques that could be as little as 17 cents a month. That's why the \$360 was chosen as a threshold. But I can assure you that in our constituency, all of the phone calls were about receiving the lump sum instead of the monthly cheque. Those far exceeded the ones that wanted to have the monthly cheque.

The Chair (Ms. Soo Wong): Any other comments for the debate?

Mr. Fedeli has asked for this particular section to be a recorded vote. I just want to make sure people know that.

No more debate? Okay.

All those in favour of this particular motion from Mr. Fedeli? A show of hands, all those in favour?

Ayes

Bailey, Fedeli.

Nays

Albanese, Baker, Hoggarth, Milczyn, Vernile.

The Chair (Ms. Soo Wong): This particular amendment is lost.

Shall schedule 29, section 10 be carried? Carried.

Schedule 29, sections 11 through 17: Are there any comments or debate on sections 11 through 17, inclusive? None? Okay.

Shall schedule 29, sections 11 through 17, inclusive, be carried? Carried.

Shall schedule 29 be carried? Schedule 29 is now carried.

Interjection.

The Chair (Ms. Soo Wong): What's that?

Mr. Victor Fedeli: We didn't have the recorded on that.

The Chair (Ms. Soo Wong): Oh, you want—okay.

Mr. Victor Fedeli: I had asked for the recorded—

The Chair (Ms. Soo Wong): Sorry. I apologize.

You need to let me know, okay? Anybody who wants a recorded vote, please tell me, because I only do that section. Okay?

Schedule 29: All those in favour, please raise your hand.

Ayes

Albanese, Baker, Forster, Hoggarth, Milczyn, Vernile.

Nays

Bailey, Fedeli.

The Chair (Ms. Soo Wong): Schedule 29 is now carried.

We are now on schedule 30. Mr. Fedeli, I believe you have another motion here.

Mr. Victor Fedeli: I do. Imagine that.

The Chair (Ms. Soo Wong): Yes.

Mr. Victor Fedeli: I still have to applaud the government on the naming of their acts. The Taxpayer Protection Act actually raises gasoline tax. I've never understood—I'm not going to debate today, because we sometimes like to debate the naming of these bills. But those, as our member Randy Hillier has taught us, can last an entire day of debate. Mrs. Albanese has been through those with us, as Mr. Hillier will debate each

word in the title of it for quite some length of time, and does it rather well. Our hats off to him.

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But, look, there's nothing protecting the taxpayer here. This raises taxes. For all the reasons that I gave in schedule 11, when we talked about changing the tax on certain items, we must vote against this. We've never seen a tax that creates jobs.

Thank you, Chair.

The Chair (Ms. Soo Wong): Any other comments? Ms. Vernile.

Ms. Daiene Vernile: Just a quick comment, and that is that this tax is going to affect only the top 2% of Ontarians. This is being done so that programs can continue to be funded in a very fair and balanced way.

The Chair (Ms. Soo Wong): Any other comments and debate? Okay.

Interjection.

The Chair (Ms. Soo Wong): I heard "a recorded vote." Am I correct, Mr. Fedeli?

There are only two sections on this particular schedule.

Schedule 30, section 1: All those in favour?

Ayes

Albanese, Baker, Forster, Hoggarth, Milczyn, Vernile.

Nays

Bailey, Fedeli.

The Chair (Ms. Soo Wong): That's carried.

Schedule 30, section 2: All those in favour?

Ayes

Albanese, Baker, Forster, Hoggarth, Milczyn, Vernile.

Nays

Bailey, Fedeli.

The Chair (Ms. Soo Wong): That section is carried.

Okay, I guess you want a recorded vote on that one: All those in favour of schedule 30?

Ayes

Albanese, Baker, Forster, Hoggarth, Milczyn, Vernile.

Nays

Bailey, Fedeli.

The Chair (Ms. Soo Wong): Schedule 30 now is carried.

We're on schedule 31, folks. Are there any questions, comments or debate on schedule 31?

I'm going to put them all together.

Shall schedule 31, sections 1 through 6, inclusive, be carried? Carried.

Shall schedule 31 be carried? Carried.

I believe on schedule 32, Mr. Fedeli, you have to move some sections here, right?

Mr. Victor Fedeli: Section 1, section 4 and section 4.1.

The Chair (Ms. Soo Wong): Okay. Do you want to move that on record?

Mr. Victor Fedeli: I do. So one at a time? Just one now and then talk about it?

The Chair (Ms. Soo Wong): Yes. We're dealing with schedule 32, section 1. Mr. Fedeli, do you want to move that?

Mr. Victor Fedeli: I move that section 1 of schedule 32 to the bill be amended by adding the following definition:

"non-qualifying asset" means an asset other than a qualifying asset;"

The Chair (Ms. Soo Wong): Is there any debate to this particular section with the amendment? Mr. Fedeli.

Mr. Victor Fedeli: Chair, I am going to be bringing amendments for section 4 and section 4.1 as well. If I can take a moment now to give my whole reason for all of them collectively. All are with respect to—

The Chair (Ms. Soo Wong): Mr. Fedeli, I have just been advised by the Clerk that we can only deal with section 1 because you just moved your motion on section 1, okay? So if you want to speak to it, but we're only going to be focused on section 1—so you may be repeating yourself later on.

Mr. Victor Fedeli: Then I'm going to save my debate, my larger debate, for—

The Chair (Ms. Soo Wong): For section 4?

Mr. Victor Fedeli: I guess I could do it all now. It kind of makes sense, but I may be ruled out of order.

The Chair (Ms. Soo Wong): I've been advised by staff that we can stand down section 1, because that definition that you're adding would only be valid if section 4 carries through.

Mr. Victor Fedeli: Okay.

The Chair (Ms. Soo Wong): Why don't we do—is there any contention with sections 2 and 3? Are there any comments, questions or debate on schedule 32, sections 2 and 3?

Seeing none, shall schedule 32, sections 2 and 3, inclusive, be carried? Carried.

Now we're going to go to schedule 32, section 4, and I believe, Mr. Fedeli, you've got a couple of motions.

Mr. Victor Fedeli: I do. Schedule 32, section 4—do you want 4.1 as well or just 4?

The Chair (Ms. Soo Wong): Section 4 first. One at a time, I was instructed.

Mr. Victor Fedeli: I move that section 4 of schedule 32 to the bill be amended by adding the following sub-sections:

"Same

"(2.1) a regulation under clause (1)(a) designating an asset as a qualifying asset shall not be made later than 90 days after the disposition of the asset.

"Same

"(2.2) a regulation under clause (1)(c) in respect of a qualifying asset shall not be made later than 90 days after the disposition of the asset."

Interjection.

The Chair (Ms. Soo Wong): All right. Do you want to read it again?

Mr. Victor Fedeli: What did I not say?

The Chair (Ms. Soo Wong): Can you repeat it again? Can you repeat the whole—

Mr. Victor Fedeli: The whole thing?

The Chair (Ms. Soo Wong): Yes.

Mr. Victor Fedeli: I move that section 4 of schedule 32 to the bill be amended by adding the following sub-sections:

"Same

"(2.1) a regulation under clause (1)(a) designating an asset as a qualifying asset shall not be made later than 90 days after the disposition of the asset.

"Same

"(2.2) a regulation under clause (1)(c) in respect of a qualifying asset shall not be made later than 90 days after the disposition of the asset."

The Chair (Ms. Soo Wong): Good. Thank you. Now, do we have any debate to the motion? Yes, Mr. Fedeli?

Mr. Victor Fedeli: And a recorded vote on this one.

The Chair (Ms. Soo Wong): Recorded vote. Okay.

Mr. Victor Fedeli: With respect to this, we are certainly not in objection to the disposition of assets, but we are in disagreement with the disposition of one-time assets, the proceeds to be potentially into operating revenue to reduce the deficit as opposed to being used for one-time expenses. This is more about the transparency of it as opposed to any other particular issue. This is the Trillium Trust Act. In schedule 32 of Bill 14, this is intended to establish a fund to receive monies which again are intended for transit and infrastructure improvements. However, there are a few—what I will call—loopholes. The act states that, "When a qualifying asset is disposed of, the regulations may require that a portion of the net proceeds ... be credited to the Trillium Trust."

What we're trying to make certain is that these proceeds are understood by members of the Legislature quickly, how much came in and how much is actually being put into the trust as opposed to being put into the operating revenue and not making its way to the trust. We're very concerned that there's an opportunity that some of the revenue may, as the act states, not end up in the trust.

There's no requirement that the asset sale be transferred to the trust in its entirety. To me, Chair, there's a true opportunity for the money to end up in general revenue, reducing the deficit as opposed to ending up for what it was intended to do. So it's all about the transparency that we're looking for between all of these, between my amendments to section 1, section 4 and section 4.1.

It's not too much to ask the government to be open and transparent about where it's going and the timing of it. I think that's the most important thing that we can ask for. When the government is selling assets that belong to the people, I think we need a very open and transparent trail of what's been sold and in a timely fashion. That's why the 90 days is here. What's been sold, how much was it sold for, where did the money go, how was it disposed, and did it make it into the trust? I think that's what we're looking for.

The Chair (Ms. Soo Wong): Okay. Any more comments, debate on this particular section? Okay. I heard there's a recorded vote. Mr. Fedeli?

Mr. Victor Fedeli: Yes, you are absolutely correct.

The Chair (Ms. Soo Wong): Okay. The motion is on schedule 32, subsections (2.1) and (2.2).

Ayes

Bailey, Fedeli.

Nays

Albanese, Baker, Hoggarth, Milczyn, Vernile.

Interjections.

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Ms. Cindy Forster: I am abstaining.

The Chair (Ms. Soo Wong): This particular motion is lost.

Shall schedule 32, section 4 be carried?

Interjection.

The Chair (Ms. Soo Wong): You want a recorded vote?

Mr. Victor Fedeli: Yes.

Ayes

Albanese, Baker, Hoggarth, Milczyn, Vernile.

Nays

Bailey, Fedeli, Forster.

The Chair (Ms. Soo Wong): Okay. So it is now carried.

Schedule 32, section 4.1—

Mr. Victor Fedeli: Chair, I move that schedule 32 to the bill be amended by adding the following section:

“Auditor General report

“4.1 Without limiting the generality of subsection 9(1) of the Auditor General Act, the Auditor General shall report annually to the Speaker of the assembly,

“(a) concerning the disposition of qualifying assets and identifying how the net proceeds of disposition of those assets have been allocated under this act; and

“(b) concerning the disposition of non-qualifying assets and identifying how the proceeds of disposition of those assets have been allocated.”

And I'll ask for a recorded vote again.

The Chair (Ms. Soo Wong): You want a recorded vote, I hear. Okay.

Are there any questions, comments or debate to the motion? Mr. Fedeli.

Mr. Victor Fedeli: Thank you, again, Chair. This is with respect to qualifying and non-qualifying assets. It's up to the government to decide, when they sell an asset—a building, some infrastructure—it's up to the government to decide themselves whether that asset qualifies to go into the Trillium Trust, and there are really no criteria for that.

So, again, in a bid for openness and transparency, what we're suggesting is that we learn how a government—how this government—disposes of these assets in terms of what made it qualifying, what made it not qualify. If it did not qualify, what are they doing with the money? If it did qualify, you say it's going into the Trillium Trust, but the act says it “may,” and only a portion of it may. This is why we're looking to have the Auditor General involved by reporting annually on the important disposition of assets.

I've said it earlier: You can't sell the furniture to heat the house. You can't burn the furniture to heat the house. In this particular case, if we're selling assets, a one-time sale of assets that does not go into the Trillium Trust for one of two reasons—this particular one because they're declared non-qualifying under some unknown criteria, or the other side of it is that they follow the “may” and the “portion”—then the taxpayer ought to know what happened to the money and where it went. That's why we're presenting this particular amendment, Chair. Thank you.

The Chair (Ms. Soo Wong): Ms. Vernile.

Ms. Daiene Vernile: I just want to mention that the Auditor General already has very broad powers under the Auditor General Act on the dispersing of money, so really, this motion is redundant.

I also want to add, Madam Chair, that we're reporting on the findings of this committee—are voting on Wednesday and not today. I'm just passing that along to you.

Mr. Victor Fedeli: I'm sorry? What was that last part?

The Chair (Ms. Soo Wong): She's saying we're voting on Wednesday, not today.

Ms. Daiene Vernile: That is for you, Madam Chair. That's information I'm passing along to you, because earlier you had said on Tuesday, but it's actually going to happen on Wednesday.

The Chair (Ms. Soo Wong): Well, this report will go to the House on Wednesday afternoon. You're right. Okay.

Any more comments? Ms. Forster.

Ms. Cindy Forster: Not on this section, but I want to generally comment before we vote on the schedule.

The Chair (Ms. Soo Wong): The schedule. Okay. Any others?

All right. I know Mr. Fedeli wants a recorded vote, so why don't you have your comments—

Mr. Victor Fedeli: We still have section 1 to deal with.

The Chair (Ms. Soo Wong): No, we're not finished yet. We're not finished yet.

We're going to call the question. All those in favour of the motion by Mr. Fedeli on schedule 32, section 4.1.

Ayes

Bailey, Fedeli.

Nays

Albanese, Baker, Hoggarth, Milczyn, Vernile.

The Chair (Ms. Soo Wong): Okay. This particular motion is lost.

Interjection.

The Chair (Ms. Soo Wong): Mr. Fedeli, the Clerk just advised me that your motion is now considered deemed redundant. I still have to dispose of schedule 32, section 1.

Just so everybody is clear, because we just voted to carry schedule 32, 4.1—the two motions by Mr. Fedeli have been lost, so we don't have to deal with the definition that you put forth to us. Okay? All right.

Now we're going to deal specifically with schedule 32, section 1. Shall schedule 32, section 1 be carried?

Mr. Victor Fedeli: Comments?

The Chair (Ms. Soo Wong): On the entire bill—the entire schedule.

Mr. Victor Fedeli: Oh, okay.

Ms. Cindy Forster: I want to comment on the entire schedule.

Mr. Victor Fedeli: Yes. I'll do that.

The Chair (Ms. Soo Wong): Okay. I want to focus on section 1 only. I want to call the question dealing with schedule 32, section 1 only.

Mr. Victor Fedeli: Recorded vote.

The Chair (Ms. Soo Wong): You want a recorded vote.

Ayes

Albanese, Baker, Hoggarth, Milczyn, Vernile.

Nays

Bailey, Fedeli, Forster.

The Chair (Ms. Soo Wong): Schedule 32, section 1 is now carried.

We still have schedule 32, sections 5 and 6. Ms. Forster, you want to discuss those sections?

Ms. Cindy Forster: Is that what's left in the schedule?

The Chair (Ms. Soo Wong): There are only two more sections left.

Ms. Cindy Forster: I actually want to make comments to the entire schedule.

The Chair (Ms. Soo Wong): So you want to hold that. Okay.

Are there any questions, comments or debate on schedule 32, sections 5 and 6? Seeing none, I am going to call the question. Shall schedule 32, sections 5 and 6, inclusive, be carried? Carried.

Ms. Forster, you have some comments to make about schedule 32?

Ms. Cindy Forster: Thank you, Chair. The NDP is going to oppose schedule 32 for a number of reasons. The Liberals are spinning this as a progressive budget, but when you actually look at the omnibus budget bill, you see that it is not really what it appears. We've heard a lot about how great and progressive this budget is, but this schedule, schedule 32, the Trillium Trust Act, actually puts the story straight.

The schedule states that the Treasury Board will designate assets of ministries, crown corporations, crown agencies, commissions, boards and other authorities to be disposed of. Let's be clear: disposed of. That's what is in this actual bill.

The bill contains no statutory changes to actually create two dedicated transit funds, but it does create a dedicated trust to hold all revenues from asset sales. Dedicated transit funding is the story that the Liberals have been telling, but asset sales are what they're really doing with this bill.

We—the NDP, our caucus—want the government to come clean on what they're actually going to sell off. We've been asking that question for a number of weeks and we haven't been getting any answers, although there is \$3.2 billion in the budget as revenue from these potential sales and sell-offs.

With respect to Ms. Vernile's comment about the Auditor General, the Auditor General only looks at what the government spent after the fact. They look at value for money after the fact, not before you're actually going to be selling off valuable government assets. In fact, a proposal that we put forward and which the Liberal government has still failed to act upon from the 2013 budget—the Financial Accountability Office, which should be up and running by now—was supposed to look at issues such as this in advance of things being moved forward, sold off. We think the government needs to act on moving that forward, and that perhaps would address Ms. Vernile's comments about there actually being oversight in areas such as this Trillium Trust Act.

1030

The Chair (Ms. Soo Wong): Mr. Fedeli?

Mr. Victor Fedeli: One of the members mentioned that my amendment would be redundant regarding the Auditor General, but I can tell you that I sat through the Auditor General's report in November 2011 when he—at that time he—first brought light to the debt retirement charge, the fact that \$8.7 billion had been paid against a debt of \$7.8 billion, and he questioned the government about where the money went.

As the auditor dug deeper into it, as Ms. Forster suggested, after the fact, only a year later did we actually learn that because of a loophole that the auditor identified in 2011, there became a \$4-billion discrepancy in the debt retirement charge. It was a loophole where, once again, the auditor informed us after the fact that monies that were collected on the hydro bills for the debt retirement charge went into a general operating fund and didn't necessarily have to actually be used for the retirement of the debt. I think that came as a shock to all of us. Every person on every side of the Legislature was quite surprised, including the auditor himself, who was not aware of that loophole and exposed that loophole.

Upon pushing, the auditor dug deeper into the situation of the debt retirement charge, and although the annual report stated that the debt had been going down each year, if you look at the 2012 annual report, the debt from 2004 was retroactively corrected by \$4 billion. So if you look at the 2004 annual report, you'll see the debt at a certain level; the 2005 annual report, the debt of 2004 was still at a low level, in the \$7-billion number. If you look at the 2006 annual report, it will show you that the debt of 2004 was still at the \$7 billion. If you look at the 2007, 2008, 2009, 2010 and 2011 reports, you'll see the debt recorded as around \$7 billion in 2004. But if you look at the 2012 annual report, it spikes up to \$11 billion. It was disclosed that those were monies that were indeed spent, unbeknownst to the Legislature, unbeknownst to anybody. If you read the annual report religiously, you would see that everything is fine, except, once the auditor dug deep into it, we realized that \$4 billion more had been borrowed and never really reported in the annual report until it was exposed in 2012.

That's why we're saying we really need to be more open and more transparent with this bill. You have a chance today to say, "Yes, there are some flaws. Let's fix this thing." Sadly, by passing this bill which we're about to vote on, that's not going to happen now. I think we will all come to regret that. The Auditor General needs to have that particular authority. We need to have these changes. For the sake of openness and transparency, we really need to have those, because I can tell you what's going to happen: In a couple of years, we're going to hear about something that you sold that nobody knew about—probably you, yourselves, won't hear about it

until it's too late. The money will have gone to some purpose other than what you expected it to go to, what you wanted it to go to. I think there will be a lot of regrets. I think we have a chance today to fix this.

The Chair (Ms. Soo Wong): Ms. Vernile.

Ms. Daïene Vernile: I just want to offer a clarification to Ms. Forster. My comments were targeted to the issue of transparency, and that is why I made the comment that it would be redundant. Through the Auditor General Act, we do have the ability to examine the disbursement of public money, and that offers us that transparency to see how public funds are being spent.

The Chair (Ms. Soo Wong): Are there any more comments, questions or debate?

Are we getting a recorded vote?

Interjection.

The Chair (Ms. Soo Wong): Okay. I heard that there's a request for a recorded vote.

Ayes

Albanese, Baker, Hoggarth, Milczyn, Vernile.

Nays

Bailey, Fedeli, Forster.

The Chair (Ms. Soo Wong): Schedule 32 is now carried. All right, we are almost there.

Shall the title of the bill be carried?

Interjection.

The Chair (Ms. Soo Wong): No, I have to go back to each of the sections—am I correct? Okay.

I call the question on section 1. Shall section 1 be carried? Carried.

Shall section 2 be carried? Carried.

Shall section 3 be carried? Carried.

Now we go to the title: Shall the title of the bill be carried? Carried.

Shall Bill 14 be carried? Carried.

Shall I report the bill to the House tomorrow? Carried.

We're done. Thank you very much, ladies and gentlemen. Thank you for your help.

The committee adjourned at 1035.

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STANDING COMMITTEE ON FINANCE AND ECONOMIC AFFAIRS

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First Session, 41st Parliament

Assemblée législative de l'Ontario

Première session, 41^e législature



Official Report of Debates (Hansard)

Thursday 23 October 2014

Journal des débats (Hansard)

Jeudi 23 octobre 2014

**Standing Committee on
Finance and Economic Affairs**

Organization

**Comité permanent des finances
et des affaires économiques**

Organisation

Chair: Soo Wong
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LEGISLATIVE ASSEMBLY OF ONTARIO

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON
FINANCE AND ECONOMIC AFFAIRSCOMITÉ PERMANENT DES FINANCES
ET DES AFFAIRES ÉCONOMIQUES

Thursday 23 October 2014

Jeudi 23 octobre 2014

The committee met at 0906 in room 151.

ELECTION OF CHAIR

The Clerk of the Committee (Mr. Katch Koch):

Good morning, honourable members. Welcome to the Standing Committee on Finance and Economic Affairs. My name is Katch Koch, and I'm the Clerk of your committee.

It is my duty to call upon you to elect a Chair, and pursuant to standing order 117(b), the Chair of the Standing Committee on Finance and Economic Affairs shall be a member of the party forming the government. Are there any nominations?

Ms. Cindy Forster: I nominate Soo Wong.**The Clerk of the Committee (Mr. Katch Koch):**

Ms. Wong, do you accept the nomination?

Ms. Soo Wong: Yes, I do.**The Clerk of the Committee (Mr. Katch Koch):**

Are there further nominations?

There being no further nominations, I declare the nominations closed and Ms. Wong elected Chair of the committee. Ms. Wong, may I ask you to take the chair to preside over the election of the Vice-Chair.

ELECTION OF VICE-CHAIR

The Chair (Ms. Soo Wong): All right. Good morning. Thank you very much.

We are doing item number 2 on the agenda. Can I have a motion for the election of the Vice-Chair? Mr. McNaughton?

Mr. Monte McNaughton: I move that Mr. Milczyn be appointed Vice-Chair of the committee.

The Chair (Ms. Soo Wong): Any discussion? Oh, this is really co-operative. This is great. Thank you. Are we ready for the vote?

All those in favour? Opposed? Carried.

Congratulations, Mr. Milczyn.

Mr. Peter Z. Milczyn: Thank you.

APPOINTMENT OF SUBCOMMITTEE

The Chair (Ms. Soo Wong): Item number 3, appointment of a subcommittee on committee business: Is there a motion of the House for this particular item? Ms. Forster?

Ms. Cindy Forster: I move that a subcommittee on committee business be appointed to meet from time to time, at the call of the Chair or at the request of any member thereof, to consider and report to the committee on the business of the committee;

That the presence of all members of the subcommittee is necessary to constitute a meeting;

That the subcommittee be composed of the following members: the Chair as Chair, Mrs. Albanese, Mr. Fedeli and Ms. Fife; and

That substitution may be permitted on the subcommittee.

The Chair (Ms. Soo Wong): Is there any discussion on this particular motion? Ready for the vote?

All those in favour? Opposed? Carried.

So thank you very much. That's it, folks. The committee adjourns.

The committee adjourned at 0910.

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Jeudi 27 novembre 2014

**Standing Committee on
Finance and Economic Affairs**

Subcommittee report

**Comité permanent des finances
et des affaires économiques**

Rapport du sous-comité



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STANDING COMMITTEE ON
FINANCE AND ECONOMIC AFFAIRSCOMITÉ PERMANENT DES FINANCES
ET DES AFFAIRES ÉCONOMIQUES

Thursday 27 November 2014

Jeudi 27 novembre 2014

The committee met at 0900 in room 151.

SUBCOMMITTEE REPORT

The Chair (Ms. Soo Wong): We're going to call the meeting of the Standing Committee on Finance and Economic Affairs to order.

We have a report of the subcommittee on committee business. I believe Ms. Hoggarth is going to read out the subcommittee report. Ms. Hoggarth?

Ms. Ann Hoggarth: The Standing Committee on Finance and Economic Affairs report of the subcommittee:

Your subcommittee on committee business met on Wednesday, October 29, 2014, and Wednesday, November 19, 2014, to consider the method of proceeding on pre-budget consultation 2015, and recommends the following:

(1) That the committee hold pre-budget consultations in Cornwall, Fort Erie, Fort Frances, London, Ottawa, Sudbury and Toronto between January 19 and January 30, 2015.

(2) That the Chair, on behalf of the committee, request the House leaders to authorize the committee to meet for up to eight days during the winter adjournment for the purpose of pre-budget consultations.

(3) That the Clerk of the Committee, with the authorization of the Chair, post information regarding the pre-budget consultations on the Ontario parliamentary channel, on the Legislative Assembly website and with Canada NewsWire.

(4) That the Clerk of the Committee, with the authorization of the Chair, place an advertisement in a major newspaper for one day in each of the cities where the committee intends to hold pre-budget consultations, and that the advertisements be placed in both English and French papers where possible.

(5) That interested people who wish to be considered to appear before the committee contact the Clerk of the Committee by 12 noon on Wednesday, December 10, 2014.

(6) That following the deadline for requests, the Clerk of the Committee provide the subcommittee members with an electronic list of all potential witnesses who have requested to appear before the committee.

(7) That, if all requests to appear cannot be accommodated in any given location, each of the subcommittee

members supply the Clerk of the Committee with a prioritized list of witnesses chosen from the Clerk's list and that the scheduling be done in the order of the government, the official opposition and the third party.

(8) That, if all requests to appear can be accommodated in any given location, the Clerk of the Committee, in consultation with the Chair, be authorized to schedule the witnesses.

(9) That late requests to appear may be considered, space permitting.

(10) That witnesses be offered a total of 15 minutes, 10 minutes for presentations and five minutes for questioning by party rotation.

(11) That the deadline for written submissions be 5 p.m. on Friday, January 30, 2015.

(12) That the research officer provide the committee with a draft report by Monday, February 23, 2015.

(13) That, with the exception of procedural motions during public hearings, the committee consider all other motions during report writing.

(14) That the committee authorize one staff person from each recognized party to travel with the committee, space permitting, for the purpose of pre-budget consultations and that reasonable expenses incurred for travel, accommodation and meals be paid for by the committee upon receipt of a properly filed expense claim.

(15) That the Clerk of the Committee, in consultation with the Chair, be authorized prior to the adoption of the report of the subcommittee to commence making any preliminary arrangements to facilitate the committee's proceedings.

The Chair (Ms. Soo Wong): Okay. Do we have any discussion or debate on the subcommittee report? Can we call the question—oh, Ms. Fife?

Ms. Catherine Fife: Just a question of clarification: In the past, when OLIP interns have accommodated the committee—if some of us have an intern and we'd like to bring them for this experience, would it still be paid for by the committee or does it come out of the member's—do you know?

The Chair (Ms. Soo Wong): Mr. Clerk?

The Clerk of the Committee (Mr. Katch Koch): I need to verify with our finance branch on that one.

Ms. Catherine Fife: Okay. It would be a good experience for them to come.

The Chair (Ms. Soo Wong): Any other discussion or debate on this item? Mr. McNaughton?

Mr. Monte McNaughton: Should we add in here—I don't know which point it would be; maybe point 16—that we're not taking Bearskin Airlines? We did that once, and it was rough.

The Chair (Ms. Soo Wong): We did have the same experience last year too with Jazz, so don't even get us started. Right? With Jazz, the door didn't close. Remember that experience in Kingston?

Ms. Catherine Fife: Yes.

The Chair (Ms. Soo Wong): All right. Any more debate and discussion? Can I call the question? All those in favour? Opposed? Carried.

It's six minutes after 9. Thank you, everybody. Have a great morning.

The committee adjourned at 0906.

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Jeudi 4 décembre 2014

Standing Committee on Finance and Economic Affairs

Better Business Climate Act, 2014

Comité permanent des finances et des affaires économiques

Loi de 2014 visant à instaurer
un climat plus propice
aux affaires



Chair: Soo Wong
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STANDING COMMITTEE ON
FINANCE AND ECONOMIC AFFAIRSCOMITÉ PERMANENT DES FINANCES
ET DES AFFAIRES ÉCONOMIQUES

Thursday 4 December 2014

Jeudi 4 décembre 2014

The committee met at 0901 in room 151.

BETTER BUSINESS CLIMATE ACT, 2014

LOI DE 2014 VISANT À INSTAURER
UN CLIMAT PLUS PROPICE
AUX AFFAIRES

Consideration of the following bill:

Bill 7, An Act to enact the Burden Reduction Reporting Act, 2014 and the Partnerships for Jobs and Growth Act, 2014 / Projet de loi 7, Loi édictant la Loi de 2014 sur l'obligation de faire rapport concernant la réduction des fardeaux administratifs et la Loi de 2014 sur les partenariats pour la création d'emplois et la croissance.

The Chair (Ms. Soo Wong): Good morning. Welcome to the Standing Committee on Finance and Economic Affairs. As per the order of the House on Thursday, November 27, 2014, we assemble here today to hold public hearings on Bill 7, An Act to enact the Burden Reduction Reporting Act, 2014 and the Partnerships for Jobs and Growth Act, 2014. The committee is authorized to sit today from 9:00 to 10:15 and from 2:00 to 6:00 p.m.

Each witness will be offered five minutes for their presentations, followed by nine minutes for questions from committee members, three minutes per caucus. Do we have any questions before we start? All right. Seeing none.

TORONTO REGION BOARD OF TRADE

The Chair (Ms. Soo Wong): At this point I'll call our first witness—I believe everybody has their agenda in front of them—the Toronto Region Board of Trade. Mr. Chris Holling, director of economic development, good morning.

Before we begin, I just want welcome you to the committee. As you heard, we have five minutes for your presentation. For the sake of Hansard, we need you to identify yourself and your position with the Toronto Region Board of Trade. Thank you and welcome. You may begin any time.

Mr. Chris Holling: Thank you very much. I'm Christopher Holling, director of economic development at the Toronto Region Board of Trade. We certainly strongly support the objectives of Bill 7, first of all with regard to reporting and tracking the reduction of red tape,

which is very important to our members, but also quite significantly with respect to the focus on spurring the development of regional clusters.

The board, for many years, has been advancing this as a strategy for improving the low level of productivity across the province, increasing wages across all of our trade and business clusters—certainly those in Toronto. We really see it as one of the key factors of success for the development of the Toronto region.

I think there's a good understanding of what clusters are, so I won't go too much into that. It's this mix of bringing together public and private sectors but also the whole range of the clusters. Clusters are different from industries. They're bringing together suppliers, educational institutions and finance together to work on common problems, to make the overall cluster and the overall region more competitive.

We've certainly seen this work quite well in the work that we've been doing on it in the human health sciences cluster in Toronto, where we've got a very senior committee directing the efforts. We're providing support to them. They've worked out a strategy. We've got a couple of key strategic objectives, and we're already on our first project, which is doing a marketing strategy and branding project for the health sciences cluster in the GTA.

I think the bill is going to be very helpful. It's important that it not be overly prescriptive in terms of how clusters are actually run and developed, so there is a need for certain parameters. I think there's a good understanding with regards to what the success factors are in a cluster project; we certainly have strong opinions about that. My sense is that there's a good understanding of what those success factors are—being private-sector-led, needing to have good personal involvement on the part of CEOs in the cluster—for really making it happen.

We certainly want the government to be open to entering into partnerships with existing cluster initiatives, not just ones that are starting. For example, our human health sciences cluster initiative would be one of those.

Finally, if you look around the world at cluster initiatives, you will often see boards of trade and chambers of commerce being a focal point for those. We can be an independent platform that allows different parties to come together in neutral territory and collaborate. So, certainly, we would encourage the government to collaborate with all the various chambers and boards of trade across the province when considering these initiatives.

Thank you.

The Chair (Ms. Soo Wong): All right. Thank you very much, Mr. Holling. The first round of questions will be coming from the opposition party. Is it Mr. Bailey or Mr. Arnott?

Mr. Robert Bailey: Go ahead.

The Chair (Ms. Soo Wong): Mr. Arnott, welcome.

Mr. Ted Arnott: Thank you, Madam Chair. I want to express appreciation to the Toronto Region Board of Trade for making this presentation this morning on Bill 7. We appreciate your input and your suggestions.

The first question is, do you have any ideas or suggestions for amendments to the bill?

Mr. Chris Holling: No.

Mr. Ted Arnott: So you're totally satisfied with it as it's currently written?

Mr. Chris Holling: I think it's a good framework for really stating government's intention to be supportive of this, for giving some good kind of ground rules, again, for the government, in terms of how they interact. I think it's good that it's not overly prescriptive in terms of exactly what needs to be done.

We've certainly seen in other jurisdictions in the US where there is this type of legislation that says, "We need to be open to it. We have some format for doing that." And then it's really in the implementation that it's important. We're certainly expecting to—we're very interested to see the associated regulations when this is actually implemented. Those are things you can't put into a bill. It's really going to have to be based on looking at success factors from other initiatives around the world and making sure it's implemented according to those factors.

Mr. Ted Arnott: But of course the regulations are very important. What would be your expectations in terms of consultation prior to the development and the final decisions on the regulations?

Mr. Chris Holling: I think there should be a lot of consultation. I know already we've had different discussions about our experience in terms of what we see as success factors. I think it's really important that there be consultation, yes.

Mr. Ted Arnott: For our part, as the official opposition, we would insist that groups like yours would be consulted prior to the development and the final decisions on regulations. The way this bill has been rammed through the House, we wonder.

We have literally one day for hearings—today. The order of the House that was pushed through by the government, the time allocation motion, forces us to have our amendments in place and filed with this committee by noon tomorrow, which leaves us very little time. Normally, in a normal public process, you'd have an opportunity for public hearings and then when those public hearings are completed, based on the public hearings and on the feedback that we've heard, developing the amendments and then, in turn, having them tabled at the committee in a reasonable period of time. But the public hearings are going to be finished today. The amendments have to be filed by noon tomorrow, and then we do the

clause-by-clause hearings on Monday of next week, and I guess the government hopes to have it back to the House for a third reading vote before the House rises on the 11th.

So we're concerned about that process and what we feel to be insufficient consultation, but at the same time, our position would be that groups like yours would be given suitable and adequate consultation. Certainly, we do support the idea of regional economic clusters, but we also question whether or not this bill is needed to establish those. The government would want to be supportive in whatever way it could be, I would hope. But economic clusters have developed in the absence of Bill 7, based on economic factors—

The Chair (Ms. Soo Wong): Mr. Arnott, your time is up.

Mr. Ted Arnott: Okay. Again, thank you very much for your presentation. It's appreciated.

The Chair (Ms. Soo Wong): This round, Mr. Gates.

Mr. Wayne Gates: Good morning. How are you?

Mr. Chris Holling: Good morning. Good.

Mr. Wayne Gates: I appreciate it. Thanks for coming.

It doesn't happen very often, so you might as well enjoy this while you're here: I actually agree with the Conservatives. I think that a bill like this should not be time-allocated. I think we should have the opportunity to meet with more stakeholders. I thought I'd want to make sure I get that on record.

Maybe you can explain how this bill is going to help with the—because your opening comments were interesting to me, quite frankly. Your first thing, almost, that you said was about our low productivity in the province of Ontario and wages. I'd like you to elaborate a little more on those two things, because I know that there are clusters in the automotive sector, and quite frankly, our productivity in the automotive sector is a lot higher. I'd appreciate that you talk a little more on that.

Mr. Chris Holling: Yes, and it's certainly that that finding is backed up by even the most recent Task Force on Competitiveness, Productivity and Economic Progress. It's a really excellent report that talks about this challenge that we have in Ontario, that we do have trade in clusters, but really, across the board, if you benchmark a lot of them against US peers, the wages that we're paying are significantly lower. We're kind of sitting in a lower-value-added trap. I'm not saying it's in all clusters; the automotive is an exception. But if you look at really the range of clusters, which, again, the task force did, and we've done in our various scorecard and prosperity reports, going back to 2012 and before—we've observed this issue about the productivity problems.

0910

Productivity means wages. It's really what all of us in Ontario are earning when we're going to work. There's academic and practical evidence that when you come together and you collaborate, you can find more innovative, higher-value-added activities to be pursuing. You can be exporting more. That ultimately means

higher wages, because you are doing more value-added activity around the world.

Mr. Wayne Gates: Is this bill a major overhaul to the way Ontario does business?

Mr. Chris Holling: I don't see it as a major overhaul.

Mr. Wayne Gates: That's a short answer. The short answer, is you don't see it—

Mr. Chris Holling: I see it as a useful step—

Mr. Wayne Gates: I'll add to the question: How do you think the bill is going to help?

Mr. Chris Holling: I think it's going to be very useful in really giving more profile to the need for business leaders to come together around their sectors, bringing sectors together to think in a cluster way, to collaborate on how to collectively make regions stronger. Then it gives a framework for the government to interact with those leaders.

Mr. Wayne Gates: I bet the business community is very interested in the cluster part of this.

Mr. Chris Holling: Yes.

Mr. Wayne Gates: What are you hearing from other businesses? Maybe give me some examples, if you have heard from other businesses that have gone over the bill, like the bill, think it would help their business, maybe help them expand, help with their productivity. What other businesses have you heard from about that?

Mr. Chris Holling: I would say digital media, a lot of the ICT clusters—the Toronto Financial Services Alliance is a good example of a very successful cluster, and Film Ontario. We've got cluster-building activities in the food processing industry. Here, we've got the aerospace cluster development work that's happening around Downsview. We're starting to see some focus on advanced manufacturing—

The Chair (Ms. Soo Wong): Mr. Holling, can you finish your sentence? That's it for this round.

Mr. Chris Holling: Yes. We are seeing our members talk about the success of cluster development in these other industries in Toronto.

The Chair (Ms. Soo Wong): Thank you. This round is to the government side. Ms. Albanese.

Mrs. Laura Albanese: Good morning, Mr. Holling, and thank you for appearing before our committee. I know you touched in your presentation on the importance that clusters can play in Ontario's economy. But one of the things that I wanted to ask you—I've heard you mention this and I've heard our minister, the Minister of Economic Development, Employment and Infrastructure, frequently refer to the line, "Clusters collaborate to compete." It was originally the Toronto board of trade that coined that phrase. Can you explain to the committee the connection between cluster collaboration and competing in the global market?

Mr. Chris Holling: Well, really, clusters are about bringing wealth into a particular region, into Ontario. We have companies who are doing that exporting, basically bringing the wealth into the province. Now, they are competing when they're doing that, but there are a lot of issues where, if they collaborate on mutual problems,

they can make themselves collectively stronger and individually stronger. Some of the classic examples are access to capital issues, workforce development issues, access to technology issues. If they can increase the assets that they are able to draw from, they will all be stronger, and of course they're going to each compete about making sure they're the first ones to access those resources and do it in the best way. So you do have that competitive spirit, but they've collectively made the region stronger because of that collaboration to focus on shared assets.

Mrs. Laura Albanese: I'm not sure how closely you were able to follow the debate on this bill, but one of the critiques from the opposition—and I think that also transpired this morning—is the necessity of legislating cluster development.

Now, as I understand it, this would be the first piece of legislation in North America to focus on cluster development, and demonstrates, I think, Ontario's emphasis on building up clusters. If passed, the minister would do a review every five years and publish the results. In your opinion, why is it important to legislate cluster development?

Mr. Chris Holling: I suppose our initial view was that it wasn't crucial to legislate, but it is useful and it gives profile to the need for it. It really does give the ability of the government to get some focus around it across a lot of different ministries, that it's not just the economic development ministry that's involved. It's about marshalling all the resources of the government because you never know when you do a cluster piece what some of the issues will be, and it could be some of the—well, it's usually that—

The Chair (Ms. Soo Wong): Mr. Holling, can you finish your sentence?

Mr. Chris Holling: —the solutions are found all across the government. It's an interesting approach and it's one we support.

The Chair (Ms. Soo Wong): Thank you, Mr. Holling. Thank you for being here today.

CANADIAN MANUFACTURERS AND EXPORTERS

The Chair (Ms. Soo Wong): The next witness is Canadian Manufacturers and Exporters, Mr. Ian Howcroft and Mr. Paul Clipsham.

Gentlemen, can you identify yourself for Hansard? You have five minutes for your presentation, and this round we will lead with Mr. Gates from the opposition third party.

Mr. Ian Howcroft: Good morning, and thank you, Chair. Thank you to the committee for hearing us this morning. My name is Ian Howcroft and I'm vice-president of Canadian Manufacturers and Exporters. With me is Paul Clipsham, CME Ontario division's director of policy and programs.

We're very pleased to be here this morning to support Bill 7, albeit a short bill. We think it's both important and

foundational. It will set the framework that will allow us to start the process to move forward.

I'd also like just to highlight how important it is for manufacturing. Manufacturing has, I think, sometimes a bad rap. We were here earlier this week to talk about the importance of manufacturing, the image of manufacturing and how integral it is to the economy. It still produces \$275 billion in manufactured output per year, employs 800,000 jobs directly and 1.5 million jobs indirectly; 75% to 80% of R&D is conducted by manufacturers, and I think the cluster opportunity will increase with that; and for every dollar invested in manufacturing, it generates about \$3.50 in total economic activity. We think this bill will go even further to help support moving manufacturing forward.

We just did a management issues survey, identifying what the key issues are. One thing that became clear is how optimistic respondents were, manufacturers were, about the future. The vast majority saw the opportunities for growth and employment, revenues and profit to be significant. But there are a lot of challenges that have to be dealt with. One of them is new markets, exports; another is the skills challenges—and I think the cluster opportunity is enhanced by having a focus on skills; and also reducing regulatory burdens. Some of our members spend an inordinate amount of time complying with regulations, and that was highlighted in the surveys, so we have to find ways to deal with that.

Therefore, we support the bill as a key piece of enabling legislation that will help to reduce the regulatory burden and work towards developing clusters. We do recognize that we have made some progress in the area of regulatory burden reduction through the Open for Business initiative. However, that initiative also showed how much more still had to be done, how much more regulations needed to be updated, to change or streamline. Our members, the manufacturers in Ontario, continue to grapple with that. It's a high cost and the administrative burdens are significant. Many examples can be cited, particularly in the area of the environment, with toxic reduction legislation, air emissions etc. We support the goals and intent; however, we think there has to be a better way to deal with that.

The first step is to acknowledge that there is a problem and we need to inventory the volume of regulations and identify the regulations which are burdensome, which are not delivering the results that were intended, and what changes are necessary. Bill 7, in our view, is an important first step in this process, and we look forward to working with the government throughout the process, the reporting process, and developing more of the details.

When you look at regulation, it's the cumulative impact of all the regulations. When you have to comply and meet varying standards on various pieces of legislation all at the same time, it becomes extremely burdensome, and you also have examples of unintended consequences. That's why we think Bill 7 will help us have a better approach to regulation development. We can get rid of some of the cumulative impacts and we can

address some of the unintended consequences. We saw that recently with Bill 18. Well-intentioned though the goals were, there were a lot of consequences, in our view, that would result that weren't intended and would cause significant problems for manufacturers and businesses.

0920

We do support cluster development where the cluster is industry-driven and focused on innovation, skills development and productivity. A key example of this is the Downsview aerospace cluster. It's coming along, and this bill, I think, will help support that and will better establish it as a best practice that other cluster groups can look to. It's about bringing together competitors, but also developing a cluster that brings together the supply chain so that we can compete nationally and internationally as a global supply chain. I think Bill 7 will strengthen our opportunities to do that.

We have the opportunity to have a more strategic approach to cluster development by using Bill 7. It's something that, again, we support and look forward to working with the government on to develop the details, which are also extremely important.

Thank you very much. We'd be pleased to answer any questions.

The Chair (Ms. Soo Wong): Thank you very much. Mr. Gates, you have three minutes.

Mr. Wayne Gates: I thank you for your presentation and I thank you for coming, but because you don't have a lot of time to discuss this bill, I could tell that you were talking extremely quickly.

Mr. Ian Howcroft: My wife tells me that too.

Mr. Wayne Gates: Well, I don't want to get into the family feud. But at the end of the day I believe, like you do, that manufacturing can still be the heart of the Ontario economy. I think, for whatever reason, the province doesn't see that maybe as clearly as somebody like yourself or, quite frankly, like myself, who comes out of a manufacturing background.

I think some of the things that are out there—probably a lot more important than Bill 7, by the way, is the fact that our Canadian dollar is finally coming down to probably where it should be. It's not being driven by the petrodollar that we've experienced over the last years and that really hurt manufacturing.

I'd like you to kind of say those numbers again on the jobs that are still created in the province of Ontario through manufacturing, because I think they're important, certainly for my colleagues here, the MPPs, to hear again. Because I didn't get them all down, I wouldn't mind you saying it again.

Mr. Ian Howcroft: Okay. In manufacturing in Ontario, we have approximately 800,000 direct jobs and there are another 1.5 million jobs that are indirectly dependent on manufacturing. Many of these are service jobs, high-tech jobs, HR jobs and finance jobs that are supporting the manufacturing sector.

Mr. Wayne Gates: So you're in agreement that we shouldn't be giving up on manufacturing, that we should be reinvesting in manufacturing and continuing to grow.

We have a great opportunity in a number of sectors. I mentioned auto earlier, but you mentioned aerospace. There are lots of other sectors where we can certainly do a lot better job in manufacturing; I think you're in agreement.

Mr. Ian Howcroft: Yes, total agreement. We think there are huge opportunities. We will provide the committee with copies of our management issues survey that talks about how optimistic they were from a broad range of sectors. In the food services sector, there's a huge demonstration of growth opportunities. We think that Bill 7 will complement that and will allow us to harness even more additional resources to better deal with the challenges that have faced manufacturers.

Mr. Wayne Gates: Yes; and it was unfortunate that we got out of the food processing business for a while there. It's good to see that we're starting to do it.

Is there something in the bill that you'd like to be added to make it more clear for the manufacturers in the province?

Mr. Ian Howcroft: I think the bill is quite clear, but we also want to work with the government to develop the regulations and fill in how we move forward. We think we have in Bill 7 a flexible framework to move forward with, and the intent would be to come up with the details that would allow—

The Chair (Ms. Soo Wong): Mr. Howcroft, could you finish your sentence?

Mr. Ian Howcroft: —the various clusters to take advantage of what they need in their particular area, in their particular sector.

The Chair (Ms. Soo Wong): Great. Thanks. This round is from the government. Ms. Vernile.

Ms. Daiene Vernile: Thank you very much for coming and speaking before our committee today.

In Kitchener Centre, my home riding, we certainly understand the critical role that a cluster development can play. And forgive me; I'm going to be a bit of a cheerleader here. Our star cluster development is Communitech, which is with the tech industry. Together they brought the University of Waterloo, Wilfrid Laurier University and Conestoga College, which has a strong manufacturing background. Then we've got some large tech companies that are there: OpenText, BlackBerry and Christie Digital, just to name a few.

Put them all together with angel investors and what we have witnessed is just an explosion in the tech sector. It's very impressive. In just five years, they have created 1,700 tech start-ups—that's 10,000 jobs—and this renaissance in our downtown core, which was dying at one point. It's now seeing a resurgence with retail, and we've got a couple of large condo developments that are happening. So we know the impact that a cluster development can have. If you can comment on how you see this affecting your industry.

Mr. Paul Clipsham: Sure. Well, I think there are a couple of ways that Bill 7 is helpful. What I like about the bill, and what we like about the bill, is that it creates a framework for consultation with industry on how to best

go about developing clusters, because, as Ian mentioned, I think that's critically important that it's industry-driven and that the strategy would be developed in collaboration with industry.

So there is an important role that government can play. Part of that is bringing together the right people, the key people, the stakeholders, the decision-makers, that can help move clusters forward.

The other thing that we wanted to point out is that we think the framework—there are subsector clusters, like the Downsview clusters, which are fairly obvious. But what we've been calling for for a long time is a cluster strategy, if you will, for manufacturing more broadly, because within subsectors there's a lot of cross-pollination, if you will. So having a strong manufacturing base across a variety of subsectors is really what has been a strength for Ontario, and we need to continue to support that; so how we can apply the Bill 7 cluster strategy methodology for specific clusters like aerospace or tech, IT tech, and apply that across the manufacturing sector more broadly as well.

Ms. Daiene Vernile: Yes, we see some very encouraging—

The Chair (Ms. Soo Wong): Okay. Sorry, Ms. Vernile.

Ms. Daiene Vernile: We'll continue later.

The Chair (Ms. Soo Wong): This round of questions will be from the opposition. Mr. Bailey.

Mr. Robert Bailey: Well, thank you for your presentation today. Ms. Vernile mentioned clusters, and it made me think about Sarnia. We have clusters there as well, with the research park. It has brought a lot of activity there. My colleague said, "And that was before Bill 7." In her case as well, that they established in their cities as well.

You talked about working with the government. Is there anything off the top of your head that you could suggest today that you'd like to see as amendments or as improvements to this bill? Do you know an easy, quick win that if we could include something that you'd—

Mr. Ian Howcroft: Well, again, I think the bill sets the framework that we need to move forward. The details are going to be worked out in the regulations. We have had great success in some cluster development, and I think the bill will highlight the opportunity, better profile that success and let us have even more success as we go forward.

We're doing a lot as an organization. We're regionally based and looking for cluster opportunities as well. So I think this gives us an opportunity as an association and as a sector to make sure that we're harnessing the resources of other organizations to bring together the manufacturers, the supply chains, the educational institutions and other organizations that can help leverage all that the region or the cluster can bring to bear. So we think that this is an important opportunity that Bill 7 will allow us to better facilitate.

The Chair (Ms. Soo Wong): Mr. Arnott?

Mr. Ted Arnott: Red tape is a huge issue for manufacturers, and you know that as well as anybody,

obviously, and you hear from your members. But this was brought to my attention by a company in my riding, Aberfoyle Metal Treaters Ltd. I received this email:

"In the past, issuing of routine (less complex) oversized load permits in Ontario were typically issued within two to three days, this has now increased from five to 10 days. The two-page document is now a multiple-page process...."

"In our case as an example, we are servicing a cluster of aerospace customers in Michigan that manufacture very large, complex tooling for the new Boeing 787 Dreamliner and Airbus A350. Aberfoyle is one of a very few" facilities "in North America who has a proven track record in successfully handling and processing these value-added components for the past eight years."

But because of the fact that the permit process for these oversized loads has increased and created new red tape, this company is having trouble convincing its customers that it can deliver on time. Of course, all manufacturing is just-in-time these days.

So this is just one example, but you would concur that that's an issue that needs to be addressed?

Mr. Ian Howcroft: Yes, we need to find ways to improve a whole variety of regulatory burdens, that being one of them. I'm very familiar with Aberfoyle Metal Treaters. They're a very active member of ours. Thank you for raising that, Mr. Arnott. I'll follow up with them as well to see what we can do to assist on that. Thank you.

The Chair (Ms. Soo Wong): Thank you very much for your presentation. Now, Mr. Howcroft, you said earlier that you have a submission to the committee. The deadline for that submission is tonight at 6 p.m. Can you make sure you submit it to the Clerk?

Mr. Ian Howcroft: Yes, we will make sure that you get that.

The Chair (Ms. Soo Wong): So thank you so much for being here today.

Mr. Ian Howcroft: We'll get that to the Clerk today. Thank you very much. Have a good day, everybody.

0930

ONTARIO CHAMBER OF COMMERCE

The Chair (Ms. Soo Wong): The next witness is the Ontario Chamber of Commerce, Josh Hjartarson and Alexandra Schwenger. They are both from the Ontario Chamber of Commerce. Welcome. You have five minutes for your presentation. This round of presentations will start with the government side. Can you identify yourself and your position for Hansard purposes? Thank you very much. You can begin.

Mr. Josh Hjartarson: Thank you. My name is Josh Hjartarson. I'm the VP, policy and government relations, at the Ontario Chamber of Commerce. My colleague is the policy lead on this file. This is Alex Schwenger, who is a policy analyst with the Ontario chamber.

Ms. Alexandra Schwenger: Good morning. Thank you for inviting us here today to speak on the bill. I'm

first going to comment on the Burden Reduction Reporting Act, and then the Partnerships for Jobs and Growth Act.

In Emerging Stronger, the OCC's economic agenda for Ontario, our number one priority is fostering a culture of innovation and smart risk taking in order to be a productivity leader. This includes advocating for a better business climate through productivity and innovation.

The regulatory system plays a crucial role in creating a strong business climate. We believe that Bill 7 is a good start. The annual reporting process creates accountability and continuity which will hopefully translate into increased prioritization for burden reduction within government. However, we believe that a much more comprehensive approach is required. Although Open for Business is a good start, there needs to be an in-depth exploration of barriers from a business climate perspective.

Regulatory burden has a big impact on the business climate in Ontario. To illustrate this, I have three examples for you of regulatory burdens as experienced by three regular Ontarians.

Bill owns a plumbing company in Timmins. He has a small staff of four journeypersons and two apprentices. Two of his journeypersons are retiring soon. He would like to hire additional apprentices now to begin training to replace his retirees; however, he has to wait until his two current apprentices graduate because of the restrictive journeyperson-to-apprentice ratios. Ontario's outdated apprenticeship ratios slow down workforce replacement and exacerbate skill shortages.

Tom grew up working at his family's sawmill in Quebec. He now owns a piece of land in northeastern Ontario that he would like to open his own sawmill on; however, because the gray ratsnake has been placed on the at-risk species list, any economic activity on that land can be challenged or even shut down. In 2003, there were 19 species on the at-risk list; today there are over 121. The Endangered Species Act is hurting our agriculture and forestry sectors.

Marie is starting her own company. She has heard the government offers supports for start-ups, so she looks into it online. Marie discovers that both levels of government fund dedicated agencies that provide supports to targeted regions. Both also provide general incentives in granting programs to spur business investment. However, their efforts across this suite of programs are duplicative and confusing. Both levels of government need to review their supports and coordinate better so that Marie can access the supports most relevant to her.

To reduce regulatory barriers, OCC recommends the government allow MEDEI to have greater input in all new regulations in order to determine their impact on Ontario's competitiveness; adopt a crowdsourced approach to regulatory change, such as the UK's Red Tape Challenge; streamline approval and compliance procedures between levels of government, specifically in the area of environmental assessments; and support outcomes-based models of regulation.

With regards to the Partnerships for Jobs and Growth Act, we've begun to see clusters emerge organically across Ontario. Some examples of clusters include petroleum refining in Sarnia, life sciences in the GTA, mining and the mining supply services in Sudbury, and ICT in Kitchener-Waterloo.

Through this bill, government is responding to industry needs and supporting regional economies. Our local chambers of commerce and boards of trade are willing to, and have been, playing a role in facilitating regional or sectoral discussions around cluster creation.

The OCC's economic leadership series engages small, medium and large businesses along with industry groups, community leaders and other partners in these areas. Over the past two years, the OCC has hosted over 15 economic leadership sessions across the province in partnership with our chambers of commerce and boards of trade. Sessions have focused on both regional and sectoral priorities. We would be happy to share expertise in this area with MEDEI.

Thank you. We're now pleased to answer your questions.

The Chair (Ms. Soo Wong): Thank you very much. This round is for the government. Ms. Lalonde.

Mrs. Marie-France Lalonde: Thank you very much to both of you for being here. As a previous business owner myself, I had the great pleasure of belonging to the Orléans Chamber of Commerce, so I certainly appreciate the role that you contribute to business and industry in the province.

I heard what you're saying, and I had just maybe a question regarding—in the past few years, as you know, our government has tackled about 80,000 regulatory burdens. The minister sometimes likes to put some words there, and sometimes he says, "It isn't about what we regulate but how we do it." If I was to ask what type of regulatory reform your organization would like to see in the annual reports, if the proposed legislation is passed, what would it be?

Mr. Josh Hjartarson: That's a great question. What we'd like to see is a comprehensive suite of the cost of existing regulation. But any time a new bill or new policy is introduced—for example, the Ontario Retirement Pension Plan—along with that bill should be a rigorous cost-benefit analysis and the impact on the business climate. That should be a part of the overall, I'd say, decision-making process. It should be submitted to the cabinet table, but also should be made public so that the public and businesses have a clear understanding of what proposals are going to cost them, both from an administrative but also financial burden.

I think there's also more attention to the, if you will, regulatory burden that has accumulated by having each province pursue its own approaches; for example, waste management, waste reduction. Ontario is going out on its own and has introduced new legislation as a unique approach, but if you're a company that has offices and operations across the country and you're headquartered in Ontario, you have to comply with 13 different sets of

regulations. That should be, I would say, accounted for as you actually detail your regulatory burden, so it's not just on the specific Ontario operations, but how Ontario's approach, if it's unique, impacts a country-wide operation. Those are two suggestions.

Mrs. Marie-France Lalonde: Okay. Thank you very much.

As you know, this bill will be about producing a report on a yearly basis. So every June we will, if this bill was to be passed, produce an annual report that the ministry would be putting together. If this bill is passed, can you explain your position on how this legislation, the need for a public release, will keep our government and our future government transparent and committed by reducing unnecessary burdens?

Ms. Alexandra Schwenger: We believe that by having an annual report you're creating accountability in the process, because every year businesses can go on MEDEI's website and see what is being done in their sector or their industry to help do that. We hope by doing that, it will highlight the importance of burden reduction and—

The Chair (Ms. Soo Wong): Thank you for that response. This round of questions: Mr. Arnott.

Mr. Ted Arnott: Thank you very much. Certainly, our official opposition caucus agrees that it would be helpful to have an annual report on whatever the government is doing to reduce so-called burdens—translation: red tape.

There is a report that the government released, I believe, earlier this year called Ontario Open for Business: Fewer Burdens, Greater Growth—Burden Reduction 2013 Highlights. Are you familiar with this report that was released by the Ministry of Economic Development earlier this year?

Mr. Josh Hjartarson: I think I've seen it. It's probably crossed my desk, and I glanced at it, but I don't know the contents in detail.

Mr. Ted Arnott: This reinforces our belief that the government doesn't need Bill 7 in order to create an annual report highlighting whatever it is they've done to reduce burdens. That's one of the points we've been making. In doing so, we're trying to get the government to do more to reduce red tape and eliminate the unnecessary red tape burdens on our businesses.

We've heard from a number of groups as a result of the debate on this bill that has been initiated. We've heard that one third of Ontario's business owners have stated that if they had known about the burden of regulation, they may not have gone into business in the first place. Do you hear that from your members as well, that degree of concern about red tape?

Mr. Josh Hjartarson: Red tape is a big issue for business, and I think it's across the country and across the globe. I, myself, was a small business owner and a single proprietor, and the amount of paperwork even to comply with regulations around WSIB etc. was kind of overwhelming. I have to be honest.

This said, I think that any move the government makes to impose accountability upon itself is positive. I also

think that it would provide a platform for us to actually begin to quantify steps. So you have a standardized reporting mechanism that enables us to blast our members and to judge in a very material way, is enough being done or not?

0940

I think a legislated approach is good because it actually imposes a requirement, and it also creates public expectation around that requirement—so it's not buried, if you will. You can't release it on a Friday afternoon at 5 o'clock before a long weekend.

Mr. Ted Arnott: As this government sometimes does.

The Chair (Ms. Soo Wong): Thank you very much for your remarks.

Mr. Gates.

Mr. Wayne Gates: I was expecting that to come from him, not necessarily you.

I do appreciate you coming. There were a couple of things that you talked about; maybe you'd like to elaborate on where you think there should be more consultation. One of them was the Ontario retirement plan. Maybe you could elaborate on that.

Mr. Josh Hjartarson: I think most people in this room and most people in the province recognize that Ontarians aren't saving enough. I agree with you. The fundamental question is, what is the best policy response to get the desired outcomes?

There is a proposal that has been put forward by this government that in our view has not been subject to adequate public due diligence. I'm not saying that we're necessarily against it, but we would like to see—where are the numbers? Show us the numbers. We're very vocal about that. That position is shared across the entire chamber network, 160 communities and the vast majority of our 60,000 members.

I think this bill is actually illustrative of a generalized approach that can be applied to regulation, to legislation; and that is, let's be transparent and let's do a very public impact analysis. Let's publish that impact and let that inform the debate about whether or not this is the appropriate policy response for the desired outcome.

Mr. Wayne Gates: Maybe you can tell me about the annual report. Is it your understanding that it's every year?

Mr. Josh Hjartarson: The word "annual" implies every year, but I feel that there's a trick question there. So, Mr. Gates, I'm looking forward to your response to that question.

Mr. Wayne Gates: I'm the one who asks the questions, not the other way around.

Mr. Josh Hjartarson: Okay.

Mr. Wayne Gates: No, the reason why I say that is because the language in the bill says that they may do an annual report, but no later than the end of the year. So actually, the report could come out in a year and a half, not necessarily within a year. That's why it's always important, if you're reading the bill, to read the words. "May" is a different word than "shall" do a report every

year, so I thought I'd give you a heads-up on that in the bill.

Mr. Josh Hjartarson: Okay. I will rely on your expertise.

Mr. Wayne Gates: Well, I think it's important, right? If you think it's coming out annually and then you find out it's coming out in 18 months, that's a big change to your organization. As big as your organization is, they'd want to know that, I would think.

The other one that the young lady talked about is on the apprentices in a small business. I didn't catch what the entire thing was because it was hard to hear that. Maybe you could explain that again on what—small business was having a problem with apprentices.

Ms. Alexandra Schwenger: The apprenticeship ratios in many of the skilled trades require there to be two trained journeypersons to train one apprentice. In this example, the company had four trained journeypersons and two apprentices. Because it was a 2-to-1 ratio, they couldn't take on any more apprentices to replace their workforce, even though they knew that two of their employees were retiring.

The Chair (Ms. Soo Wong): Okay. Thank you very much for your presentation.

Mr. Josh Hjartarson: Thank you.

The Chair (Ms. Soo Wong): All right. Because we had witnesses already scheduled on a first-come basis, I'm going to ask, are there any other interested presenters in the room right now? Seeing none—

Mr. Ted Arnott: Point of order, Madam Chair.

The Chair (Ms. Soo Wong): Yes.

Mr. Ted Arnott: I would just like to confirm that all members of the committee have the presentation in front of them from the Canadian Federation of Independent Business, which is a very important stakeholder with respect to this bill. It's only a page and a half, and I would certainly encourage all the government members, hopefully, to take a few minutes to read it—

The Chair (Ms. Soo Wong): Yes, I think the Clerk had put it on the table for every member.

Mr. Ted Arnott: —because they have some suggestions about strengthening the bill. I would hope that, again, the ministry staff who are monitoring this will pay close attention to what the CFIB is recommending and implement their recommendations. Thank you.

The Chair (Ms. Soo Wong): Thank you for that reminder to the committee.

I just have a couple of housekeeping stuff for the committee. The deadline for written submissions is—

Interjection.

Mrs. Marie-France Lalonde: Just to clarify, Mr. Arnott, if I read, "we urge you to recommend the immediate passage of Bill 7"—

Mr. Ted Arnott: Well, we can't pass it today, but—

Mrs. Marie-France Lalonde: No, but just to make sure that this is what CFIB is referring to, right?

Interjection.

The Chair (Ms. Soo Wong): So let me go back to some—Ms. Vernile?

Ms. Daiene Vernile: Is there a reason why we only have paperwork from them? Are they going to be appearing?

Interjections.

The Chair (Ms. Soo Wong): Excuse me. I was told by the Clerk that CFIB was not able to be present today, so they presented something in writing to submit to the committee. That's why they submitted to us in writing, because they unfortunately weren't able to be present today.

Ms. Daiene Vernile: Okay, so we have their supportive and encouraging letter.

The Chair (Ms. Soo Wong): Absolutely.

So I just want to have a couple of housekeeping items before we adjourn. The deadline for written submissions is 6 p.m. today. The deadline for filing amendments is at 12 noon tomorrow, which is Friday, December 5, 2014. Clause-by-clause consideration of the bill is scheduled for Monday, December 8, 2014, from 2 p.m. to 6 p.m. All right? Are there any questions? Mr. Arnott.

Mr. Ted Arnott: In response to that, Madam Chair, I would just say that in a normal, useful committee process, there would be more time to allow for members to consider the responses from the public, in terms of the

public hearings, to develop the amendments and then table the amendments. This is a very, very rushed process that I don't think gives adequate opportunity for groups to bring forward concerns or for members of the Legislature to consider them and, in turn, draft amendments. As a general rule, we should be taking a little more time to do this and to develop legislation and to conclude it and bring it back to the House.

The Chair (Ms. Soo Wong): Okay, so I just wanted to make sure—

Mrs. Laura Albanese: We have time. We can discuss it.

The Chair (Ms. Soo Wong): Just so people understand, I think Mr. Arnott's concerns have been noted, but remember, committee members, this was the order of the House. So if—

Interjection.

The Chair (Ms. Soo Wong): Okay. This is the order of the House. We're going to agree to disagree. But moving forward, this is what has been ordered from the House to this committee.

Are there any more questions or comments? Seeing none, we're going to adjourn the committee.

The committee adjourned at 0948.

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Monday 8 December 2014

Journal des débats (Hansard)

Lundi 8 décembre 2014

Standing Committee on Finance and Economic Affairs

Better Business Climate Act, 2014

Comité permanent des finances et des affaires économiques

Loi de 2014 visant à instaurer
un climat plus propice
aux affaires



Chair: Soo Wong
Clerk: Katch Koch

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LEGISLATIVE ASSEMBLY OF ONTARIO

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON
FINANCE AND ECONOMIC AFFAIRSCOMITÉ PERMANENT DES FINANCES
ET DES AFFAIRES ÉCONOMIQUES

Monday 8 December 2014

Lundi 8 décembre 2014

*The committee met at 1404 in room 151.*BETTER BUSINESS CLIMATE ACT, 2014
LOI DE 2014 VISANT À INSTAURER
UN CLIMAT PLUS PROPICE
AUX AFFAIRES

Consideration of the following bill:

Bill 7, An Act to enact the Burden Reduction Reporting Act, 2014 and the Partnerships for Jobs and Growth Act, 2014 / Projet de loi 7, Loi édictant la Loi de 2014 sur l'obligation de faire rapport concernant la réduction des fardeaux administratifs et la Loi de 2014 sur les partenariats pour la création d'emplois et la croissance.

The Chair (Ms. Soo Wong): Okay, we're going to call the meeting of the Standing Committee on Finance and Economic Affairs to order.

As ordered by the House on Thursday, November 27, 2014, we assemble here today for clause-by-clause consideration of Bill 7, An Act to enact the Burden Reduction Reporting Act, 2014 and the Partnerships for Jobs and Growth Act, 2014. Tara Partington from legislative counsel is here to assist us with our work, and she is sitting right beside the Clerk. The committee is authorized to sit today from 2 p.m. to 6 p.m.

A copy of the numbered amendments received at last Friday's noon deadline is on your desks. Last Friday, when the Clerk sent us the amendments, there was no numbering, so this time on your desks there is numbering. The amendments have been numbered in the order in which they appear in the bill.

Committee members will know that at 3 p.m. today—that's why we are already five minutes into 2 o'clock—I'm required to interrupt the proceedings and shall, without further debate or amendment, put every question necessary to dispose of all remaining sections of Bill 7 and any amendments thereto. From that point forward, those amendments which have not yet been moved shall be deemed to have been moved, and any division required shall be deferred until all remaining questions have been put and taken in succession, with one 20-minute waiting period allowed. Do we have any questions before we begin? I see none.

You probably noticed that Bill 7 is comprised of only three sections which enact two schedules. In order to deal with the bill in an orderly fashion, I'm going to suggest

postponing the sections in order to dispose of the two schedules first. Does everybody agree with that?

Mr. Randy Hillier: Agreed.

The Chair (Ms. Soo Wong): All right. Thank you.

Amendment number 1 relates to section 1 of schedule 1 of the bill before you. We will consider amendment number 1. Are there any general comments or questions? All right, I have—

Mrs. Laura Albanese: No, no.

The Chair (Ms. Soo Wong): Okay, no general question.

Do we have any questions or comments generally of the bill?

Mr. Randy Hillier: You're dealing with just the amendment right at the moment?

The Chair (Ms. Soo Wong): No, general comments on the entire bill.

Mr. Randy Hillier: I have a comment.

The Chair (Ms. Soo Wong): Mr. Hillier.

Mr. Randy Hillier: While we're discussing this today, I just want to put it out for people to consider. In this bill, it says about forming clusters of businesses. If you just read that in schedule 2: "Clusters, which are geographically concentrated groups of interconnected businesses and related entities..." I don't know of any business that isn't interconnected and that isn't connected geographically with other businesses in those areas. I'd like to just put it to the members of the committee: Is there any business that you're aware of in the GTA which is not part of a cluster? No? These are—

The Chair (Ms. Soo Wong): Mr. Hillier, the purpose of today's clause-by-clause—you cannot ask questions and answers.

Mr. Randy Hillier: No, no, but this is a question relating to clusters which are part of the bill. I'm just putting it out there that I find it interesting that we're using this terminology now as if it's something new and unique and something innovative, but all our businesses are part of clusters. I don't know of any business that isn't interconnected or interrelated or within a geographical area. I just put that out for consideration, and I'll leave it at that.

The Chair (Ms. Soo Wong): Okay. Do we have any more comments or questions? Ms. Vernile.

Ms. Daiene Vernile: I would respond by saying that although we encourage clusters, there might be some businesses that don't wish to cluster because they con-

sider the other businesses to be their competition. They don't necessarily want to get together and share information for fear that it might somehow harm them. They're in competition with each other, but there are many businesses where if business co-operate with each other, if they network, they can actually help each other and get ahead.

I see that in my region in Kitchener Centre. We have a tech cluster and we're seeing phenomenal things coming from the Communitech hub, which is supported by the Ontario government. In just five years, we have seen an explosion of tech businesses—1,700 businesses in just that time, creating 10,000 jobs.

So there are times where clusters do work, and I think we need to be respectful of the fact that there are other industries where they may not necessarily want to get together and share information because they are in competition with each other.

Mr. Randy Hillier: This is good. I don't want to belabour this point, and I don't want to be seen to be antagonistic or anything. However, you generally see that most businesses recognize that competition and clusters of competition draw more people, more customers, to that area.

I'll just give you my background in retail. There was a strip in Ottawa, the Merivale strip. It became a cluster of audio and video shops. That whole strip was pretty much all audio-video electronics, home consumer electronics. They recognized that—and this is going back into the early 1970s—there was benefit to them, because customers could now just go to one area and shop at 20 or 30 different stores—

The Chair (Ms. Soo Wong): Mr. Hillier, I'm going to remind you, because it's already 10 after 2, that if we do not get through this clause-by-clause by 3 o'clock, there are no questions or discussion because I will have to interrupt the proceedings, and I think—

Mr. Randy Hillier: We'll have that discussion further after.

1410

The Chair (Ms. Soo Wong): The members are here to do clause-by-clause, so I just want to be respectful of everybody's time. All right? Is that fair with everybody? Okay, all right, let's go.

I am going to talk about schedule 1, section 1, and I believe, Mr. Gates, you have a motion here before us.

Mr. Wayne Gates: I do. I move that section 1 of schedule 1 to the bill be amended by adding the following subsection—and I believe that you all have a copy of that subsection. You do, right?

The Chair (Ms. Soo Wong): You have to read it for the record.

Mr. Wayne Gates: I didn't know if I had to read it. Okay.

"Meaning of 'unnecessary'

"(2) For the purposes of the definition of 'burden' in subsection (1), the minister shall only consider a burden to be unnecessary if the minister, in consultation with other members of the executive council or on his or her

own, has carried out a cost-benefit analysis that clearly demonstrates that the statutory, regulatory, procedural, administrative or other requirement that creates the cost is not necessary to achieve the purpose of the statutory, regulatory, procedural, administrative or other scheme."

The Chair (Ms. Soo Wong): Any questions or comments about this particular motion? Ms. Albanese.

Mrs. Laura Albanese: We will not be supporting this motion, because this amendment would require that all proposed burden reductions be examined by cabinet. For cabinet to deem a regulation unnecessary, it would have to go through a cost-benefit analysis. The approach of the bill is that of reducing the burden to business and specifically, I guess, to mind not what we regulate but how we regulate it. That would be the reason why we won't be supporting this motion.

The Chair (Ms. Soo Wong): Mr. Hillier.

Mr. Randy Hillier: We'll be opposing this motion as well, and I'll just add I believe there is a time for cost-benefit analysis, but it's at the time when the regulation is introduced, not at a time to remove it. If he got the horse and the cart in a different order on that one, we would be supportive. We have long advocated that there should be a cost-benefit analysis before regulations are undertaken.

Mrs. Laura Albanese: There is a time and a place for the cost-benefit analysis. Agreed.

The Chair (Ms. Soo Wong): Okay. Any questions or comments? Mr. Gates.

Mr. Wayne Gates: Well, I'm smart enough to know that we're probably going to lose seven-one, but at the end—

The Chair (Ms. Soo Wong): It's not personal.

Mr. Randy Hillier: Six-one.

Mr. Wayne Gates: Okay, sorry; six-one.

The Chair (Ms. Soo Wong): I'm going to call the question. Shall schedule 1, section 1, be carried?

All those in favour? Opposed? I've got to see the hands up.

Mr. Wayne Gates: I almost got Ann there. It was close. I saw you grab her arm.

Interjections.

Mr. Randy Hillier: We're talking about the amendment. We're opposed.

The Chair (Ms. Soo Wong): Yes, amendment. Opposed? Okay. So we talked about definition—

Interjection: Are we starting over?

The Chair (Ms. Soo Wong): Motion number 1, the definition: Shall schedule 1, section 1, be carried?

All those in favour? I saw Mr. Gates.

All those opposed?

Interjections.

The Chair (Ms. Soo Wong): Okay. So shall schedule 1, section 1, be carried? All those in favour?

Mrs. Marie-France Lalonde: A point of clarification: Are we receiving clarification to carry into a vote?

The Chair (Ms. Soo Wong): The first part we just voted on is motion number 1 from Mr. Gates. I asked the question, "Shall motion number 1 be carried?" So I saw it was done. It was defeated.

The next question is, shall schedule 1, section 1, be carried?

Mrs. Laura Albanese: Carried.

The Chair (Ms. Soo Wong): Carried. So am I hearing carried?

Ms. Ann Hoggarth: Without amendment.

The Chair (Ms. Soo Wong): Without amendment. That's right. Carried.

Mr. Wayne Gates: I voted against it.

Interjections.

The Chair (Ms. Soo Wong): Just to make sure everybody knows what they're voting on, I'm going to ask the question one more time, because it's new to some members here.

Shall schedule 1, section 1, be carried? All those in favour? Raise your hands.

Ms. Daïene Vernile: Do you want us to carry it as it is here?

Interjection: This is the original.

The Chair (Ms. Soo Wong): Yes, the original.

Mrs. Laura Albanese: Carry without amendments.

Interjection: Right, carry without amendments. You need to say that.

The Chair (Ms. Soo Wong): Okay. All those opposed? Carried.

Because we have defeated motion number 1, motion number 2 will be out of order. Okay? So we will not be entertaining motion 2.

I believe we have motion 3 here. Mr. Hillier or Mr. McDonell, do you want to read it on the record?

Mr. Randy Hillier: I move that subsection 2(1) of schedule 1 to the bill be struck out and the following substituted:

“Annual report on burden reduction

“(1) The minister shall make available to the public an annual report with respect to,

“(a) actions taken by the government of Ontario to reduce burdens; and

“(b) the government of Ontario's future burden reduction goals.”

The Chair (Ms. Soo Wong): Any questions or comments to this particular motion? Ms. Hoggarth?

Ms. Ann Hoggarth: Because of what we heard last week, we will be supporting this amendment. We listened. We like the fact that it says “shall” in number 1. We will be voting in favour.

The Chair (Ms. Soo Wong): Any other comments?

Mr. Randy Hillier: That's the first time in seven years.

The Chair (Ms. Soo Wong): Are the members ready for the vote?

Ms. Ann Hoggarth: You say it every time.

The Chair (Ms. Soo Wong): Are the members ready for the vote? All those—

Mr. Wayne Gates: It's funny you say that, because I'm trying to figure out why you guys agreed to it.

Ms. Ann Hoggarth: Because we're nice people.

The Chair (Ms. Soo Wong): All those in favour? Can I see the hands? All those in favour? All those opposed? Carried. So motion number 3 is carried.

We have motion number 4. Mr. Gates, do you want to read your motion?

Mr. Wayne Gates: I move that section 2 of schedule 1 to the bill be amended by adding the following subsection:

“First report

“(1.1) The first report under this section shall be prepared in respect of the calendar year 2015.”

The Chair (Ms. Soo Wong): Any questions or comments to this particular motion? Ms. Lalonde?

Mrs. Marie-France Lalonde: Yes. Unfortunately, we will be voting against this amendment. The reason is because we've already started drafting our report and waiting for the calendar year of 2015 would actually delay us reporting what we have this bill for, which is reporting close to June 30.

The Chair (Ms. Soo Wong): Any other comments? Mr. Hillier?

Mr. Randy Hillier: We respect the idea behind it, the intent of it, but we're of the view that that may actually delay the report, so we'll be opposing.

The Chair (Ms. Soo Wong): Any other comments? Okay. Are the members ready to vote? All those in favour? All those opposed?

We're going to motion number 5. Mr. Hillier or Mr. McDonell, do you want to read your motion?

Mr. Randy Hillier: Sure. I move that clause 2(2)(a) of schedule 1 to the bill be amended by striking out “or in such other manner as the minister considers advisable.”

The Chair (Ms. Soo Wong): Any questions or comments? Ms. Lalonde?

Mrs. Marie-France Lalonde: I'm sorry to say that we will not be supporting this amendment. The reason why is because we feel that this amendment is definitely too prescriptive and limiting. I don't think it's fair to limit how our future government would choose to communicate, so unfortunately we will be against this amendment.

Mr. Randy Hillier: I would not want to limit government in being transparent and accountable, but the way the clause reads at the moment, any other publication or—it says you can put it on the website “or in such other manner as the minister considers advisable.” So we were concerned that some “other manner” may take away that website. I know that might not be the intent of the members on this committee, but I've seen subsequent governments not actually do things that we intended them to do.

1420

Mrs. Marie-France Lalonde: I think the bill is for us to actually report. Definitely, that's our goal—to report on how, but we don't want to limit on how we're going to be reporting.

Mr. Randy Hillier: Yes. Okay.

The Chair (Ms. Soo Wong): Okay. Any more? Mr. Gates?

Mr. Wayne Gates: Maybe you can give me some examples of other manners. Maybe that will help me understand where you're headed. You're going to do a report. It's going to be on the website. So then, what other manners are you thinking of?

Mrs. Marie-France Lalonde: It could be in the Gazette.

Mr. Wayne Gates: Pardon?

Mrs. Marie-France Lalonde: The Gazette. I can think—I'm not sure. I think this is why we want to leave it open at this point. I don't feel—

Interjection.

Mrs. Marie-France Lalonde: Yes, actually. That's why we're open and transparent. We're going to try to educate our stakeholders and the business as much as possible.

Mr. Randy Hillier: Maybe I'll just add one comment here. If we change that "or" to an "and"—"published on a government of Ontario website and in such other manners as the minister considers advisable"—it would be—

The Chair (Ms. Soo Wong): I just want to remind the committee we cannot accept any amendment. Right? So there's no changing what's on the table for discussion—what we've been discussing. This is how we voted. Mr. McDonnell?

Mr. Jim McDonnell: I was going to suggest the same thing, that we just change that. Because obviously they're talking that they want to use the website and any other methods, but that's not the way the bill is written.

The Chair (Ms. Soo Wong): But unfortunately, the order of the House is that any amendments must be submitted to this committee on Friday, 12 noon, to the Clerks. Right? So no changes are acceptable at this late stage. Sorry.

Any more comments or questions? Okay, are we ready for the question?

All those in favour of the proposed motion? All those opposed? That got defeated.

Motion number 6: NDP motion. Mr. Gates, want to read it?

Mr. Wayne Gates: Okay. Schedule 1, section 3: "I move that section—

The Chair (Ms. Soo Wong): No, no, no. Schedule 1—

Mr. Wayne Gates: These are the ones I've got in order.

The Chair (Ms. Soo Wong): Okay. I think the Clerk is going to help you here and make sure—you've got to take our sheet here.

Mr. Wayne Gates: I'll just get the page. Okay. I move that clause 2(2)(b) of schedule 1 to the bill be amended by striking out "or, if the regulations prescribe another date, on or before the prescribed date in each year" at the end.

The Chair (Ms. Soo Wong): Okay. Any comment or discussion to this particular motion? Any questions or comments? Mrs. Lalonde, you have a comment for this particular motion?

Mrs. Marie-France Lalonde: Well, we're going to be voting against it. I think it's just to reiterate our commitment to look at a mid-year, closer to June 30, as our deadline to make the reports relevant for our business community. They need to see a report at half year. We want to definitely try to educate and make sure that, in preparation for their budget and seeing what we have done so far, they can also educate themselves but also maximize the opportunity on some of those burden reductions that have been reported.

The Chair (Ms. Soo Wong): Okay. Mr. Hillier?

Mr. Randy Hillier: Well, I would say, you know, we're in favour of this because the regulations can prescribe a different date. If that was what you're saying—you know, you're saying that the government wants to have these tabled by mid-year. What your legislation actually does is it allows them to prescribe it later in the year. So, if you're being very forthright about this, the NDP motion fits your argument—right?—by striking out some other date prescribed later in the year. I think your argument brings merit to the NDP motion. Under the NDP motion you would have to have it out before midyear.

The Chair (Ms. Soo Wong): Okay. Ms. Hoggarth?

Ms. Ann Hoggarth: What has happened here is that we believe this June 30 deadline will make this report relevant for the business community. We listened to the stakeholders and they've asked for this so that they can plan well ahead and—

The Chair (Ms. Soo Wong): Ms. Hoggarth, we're not doing motion 7. We're doing motion 6. Okay?

Ms. Ann Hoggarth: Oh, I'm sorry.

The Chair (Ms. Soo Wong): Motion 6, which Mr. Gates has read, is clause 2(2)(b), an NDP motion. Okay? That's your motion next.

Ms. Ann Hoggarth: Sorry.

The Chair (Ms. Soo Wong): Please refer to what's on the table because this is what the Clerk is advising me, the Chair. The motion right now is motion number 6, which has been read by Mr. Gates. It's the NDP motion. Okay?

Mr. Randy Hillier: Further to that, the way the legislation is written presently would allow the government, by regulation, to make that report public at any time in the year; right? At any time. Whether the House is sitting or not sitting, it's got a target date of June 30. However, they can change regulations and we know how easy that is to accomplish. It doesn't even come before a committee to change a regulation—

The Chair (Ms. Soo Wong): Mr. Hillier, I think you're also debating your motion, which is motion 7.

Mr. Randy Hillier: No, I'm not. No, no.

The Chair (Ms. Soo Wong): We want to focus on motion—

Mrs. Laura Albanese: Madam Chair, can you please repeat which motion we are debating?

Mr. Randy Hillier: NDP motion number 6.

The Chair (Ms. Soo Wong): NDP motion number 6: I move that clause 2(2)(b) of schedule 1 to the bill be

amended by striking out “or, if the regulations prescribe another date, on or before the prescribed date in each year” at the end.

Ms. Lalonde?

Mrs. Marie-France Lalonde: I apologize for earlier. I think we got a little bit distracted in between the PCs and the order.

So to respond to this amendment by the NDP, I'm just going to make sure what you're suggesting is that we would make the June 30 reporting deadline a hard deadline. We're definitely against it. One of the reasons is, we're saying that we don't want to be set as a date. We want to be flexible. Being flexible in our date, as closer to, will allow us—if there was a change in government or what we've experienced this time going through an election, this would definitely impair our mechanism to actually report to the public and our stakeholders.

We have listened to our stakeholders. We want to make sure that we give them enough notice so they can plan ahead of time, but we are not prepared at this point to make this a set date.

The Chair (Ms. Soo Wong): Mr. Hillier?

Mr. Randy Hillier: I'm just going to add, the way the legislation is written right now, you can table this, make it available to the public at any time before June 30. It's not a hard date of when it must be done. It's a hard date of when it must be done by. Under the existing legislation, you could table it January 1, May 1 or any other date before June 30. The NDP motion makes sure that you must do it by June 30. The second half of that clause (b) says it must be done by June 30 unless we change our minds. That's essentially what it's doing.

Once again, if you are fully committed to indicating to the business community how these things may affect them and that you want to have it done by June 30, I think you really ought to be supporting the NDP motion.

The Chair (Ms. Soo Wong): Okay. Do we have any more comments?

Mr. Wayne Gates: Your support staff is fully aware of this, particularly coming forward, I would think, from our meeting, when we talked. My concern was exactly, quite frankly, what my colleagues the PCs are talking about, that you have a business community that's expecting something to happen by June 30—up to June 30. You're absolutely right: It could happen February 10. So the thing about the election really does make a lot of sense. But what we want to do is say no—the business community, you want to be open and transparent. They want to know when the report is coming out. They want to know exactly where you're going to be. What we're saying is, let's have a hard date, because the problem that I see going forward is that you now have an annual report that could be 18 months, which I don't think is fair to anybody, quite frankly. In particular, if you're trying to do this to help the business community, I don't think they're going to appreciate that very much.

1430

The Chair (Ms. Soo Wong): Okay. Do we have any more comments? Ms. Hoggarth first.

Ms. Ann Hoggarth: As I said before, the stakeholders are the ones who thought that June was a good time.

Mr. Randy Hillier: We're not arguing that.

The Chair (Ms. Soo Wong): Ms. Lalonde?

Mrs. Marie-France Lalonde: I think when we make the bill, when it says “shall report,” it gives us a little bit of flexibility. So this time, if you look in a minority government, how hard it would have been to report—we want this bill to be not only for today but to carry through other governments, right? For now, “shall report” by June 30 gives us flexibility and it also gives some predictability for the business industry to expect a report.

The Chair (Ms. Soo Wong): Mr. McDonnell?

Mr. Jim McDonnell: I'm not sure why a minority or majority government—I would assume ministry staff are doing this. I don't think they expect the members to do this. So having a fixed date that the government service should have these reports done—it should make no difference what the status of the Legislature is.

I think, again, a date that is in legislation is far better than giving the government the option of, “Well, we'll just release it any time we want.” Really, what this is doing—we're talking very clearly, that it has to be done by June 30. I think the motion just suggests that that date be there. It takes away the option of deciding that “maybe this year we'll do it December 31”—

The Chair (Ms. Soo Wong): Okay, I see Mr. Hillier has a comment.

Mr. Randy Hillier: Just to emphasize, minority or majority Parliament has no bearing on the release of—this becomes the work of the administration of government. They have time frames that become statutory obligations that the administration of government must do. It's not the minister's staff but the ministry staff and administration that does this.

Once again, this provides wiggle room and, if one was somewhat cynical, may also say that if the report is not very good, it could be delayed and stalled by regulation, substantially. I would also put this out: You've got a target date of June 30. Now, we all know that the House does not sit on June 30 or for the previous couple of weeks. Usually it's the first week of June that we're out of here. That may be more of a reason why that date has been chosen, but I'll accept that you want to inform the business community of what has happened. If that is clearly certain, the first half of that clause gives you lots of flexibility and meets the objective of informing the people in the public early because it says “available to the public on or before June 30 in each year....” All the NDP motion does is strike out what follows that, which then holds government to actually having a statutory obligation.

We'll be supporting the NDP motion.

The Chair (Ms. Soo Wong): Mr. Gates?

Mr. Wayne Gates: Yes, just interesting—on your own argument, you're saying that this is what the business community is telling you, that they want a report by June 30. Yet the language that you're proposing can drag it out to December 31. So if you're saying that you're

listening to the stakeholders, you're not listening very well on that particular issue.

Also, the language here, where you said that it said "shall"—I am getting older, but in the clause that we're talking about, I can't find the word "shall," so maybe you could point that out to me.

The Chair (Ms. Soo Wong): The Clerk is going to show you where the word "shall" is, okay? You found the word, Mr. Gates?

Mr. Wayne Gates: Yes, but I think what she was talking about is "shall do the report," and what I'm saying is, the report is supposed to be by June 30, but it's not; it's actually an extension of the entire year. I think I'm right on this. You actually can do that report any time from January 1 until December 31 the way that language is right now. What we're saying is, we're agreeing with you: Listen to the stakeholders and have it on or before June 30. We're agreeing with you.

The Chair (Ms. Soo Wong): Ms. Lalonde.

Mrs. Marie-France Lalonde: I will just end the discussion from our side, just reiterating that during the public hearings, I think some of you asked some of the major stakeholders that were in this room, and when we asked them what type of amendment they felt was needed, the answer was very clear: none. So we're going to maintain our position with this amendment in voting against.

The Chair (Ms. Soo Wong): Any more comments or questions? I'm going to call the question. All those in favour of motion number 6? All those against? Okay.

Since motion number 6 is defeated—

Interjection.

The Chair (Ms. Soo Wong): I just want to make sure. Okay. We're going to go to motion 7.

Mr. Randy Hillier: I'd like to withdraw PC motion number 7.

The Chair (Ms. Soo Wong): So you withdraw motion 7. All right.

We'll go to motion number 8, a PC motion. Mr. Hillier or Mr. McDonnell, do you want to read the motion?

Mr. Randy Hillier: I move that section 2 of schedule 1 of the bill be amended by adding the following:

"Tabling

"(3) The minister shall table the annual report in the Legislative Assembly as soon as possible after it is published."

The Chair (Ms. Soo Wong): Any comments or questions for the mover? Ms. Lalonde.

Mrs. Marie-France Lalonde: Sorry. Mr. Hillier, could you just reaffirm what you just mentioned?

Mr. Randy Hillier: Yes. All it is is making sure that the minister shall table the annual report in the Legislative Assembly as soon as possible after it is published. So once it's in the public domain, it's tabled with the assembly as well.

Mrs. Marie-France Lalonde: And I can say from our side we're very happy to accept this amendment. Defin-

itely, our government is open and transparent when it comes to burden reduction.

Mr. Wayne Gates: Is this being recorded?

Mrs. Marie-France Lalonde: And this is a recording. *Interjections.*

The Chair (Ms. Soo Wong): We've got 20 minutes before the gavel comes down at 3 o'clock. So any more debate or discussion on motion number 8? Can I call the question? All those in favour? All those opposed? Carried.

All right, motion number 9—

Interjection.

The Chair (Ms. Soo Wong): Sorry. Shall schedule 1, section 1, as amended, carry? Carried.

Interjection.

The Chair (Ms. Soo Wong): So I'm going to call the question. I want to see the hands first, okay? Shall schedule 1, section 2, as amended, carry? Can I see a show of hands? All those in favour? All those opposed? Carried.

Motion number 9: Mr. Gates.

Mr. Wayne Gates: I move that section 3 of schedule 1 to the bill be amended by striking out "may make regulations" in the portion before clause (a) and substituting "shall make regulations".

The Chair (Ms. Soo Wong): Any comments or questions on this particular motion? Ms. Albanese.

Mrs. Laura Albanese: Again, just like in the first motion that I spoke on, the bill is focused on removing the unnecessary burden, unnecessary government regulations, and this amendment would enforce that regulations are made on how governments quantify, specify scope of the report, and therefore we won't be supporting it.

The Chair (Ms. Soo Wong): Okay. Any other comments? Mr. Hillier?

Mr. Randy Hillier: We won't be supporting this amendment.

The Chair (Ms. Soo Wong): You will not be supporting it.

Mr. Gates, do you have any final comments before I call the question?

Mr. Wayne Gates: No. I'm fine. I'm sure that we may lose this one.

The Chair (Ms. Soo Wong): All those in favour of the motion? All those opposed? The motion is lost.

Motion number 10: Now, I need to inform the committee that this—

Interjection.

The Chair (Ms. Soo Wong): The Clerk just advised me that this motion is inconsistent with the decision of the committee on motion number 6 because motion 6 was lost.

1440

Ms. Ann Hoggarth: It's out of order?

The Chair (Ms. Soo Wong): Yes, it's going to be out of order because we lost motion number 6. This is inconsistent, so it's out of order.

We're going to go to motion number 11. Mr. Gates, you want to—

Interjection.

The Chair (Ms. Soo Wong): Oh, sorry. Shall schedule 1, section 3, carry? All those in favour? All those opposed? Carried.

Now we're doing motion number 11. Mr. Gates, do you want to read your motion on record?

Mr. Wayne Gates: I move that section 4 of schedule 1 to the bill be amended by striking out "on a day to be named by proclamation of the Lieutenant Governor" at the end and substituting "on the day the Better Business Climate Act, 2014 receives royal assent."

The Chair (Ms. Soo Wong): Any comments or questions to this motion?

Mrs. Marie-France Lalonde: Mr. Gates, I'm very happy to report that we will be supporting this amendment.

Mr. Wayne Gates: I'm done. There you go.

Mrs. Marie-France Lalonde: You see. We're balancing, you know.

Mr. Wayne Gates: You're balancing.

Mrs. Marie-France Lalonde: No, no. We realize the importance of implementing this bill and that's why, actually, we reintroduced it as soon as the House came in order in July. So we will be supporting this amendment.

The Chair (Ms. Soo Wong): Mr. Hillier, do you have any comments?

Mr. Randy Hillier: We're supportive as well.

The Chair (Ms. Soo Wong): All right. So all those in—

Mr. Wayne Gates: Can I just add—because I don't think everybody heard your comment. I think that was pretty good. He said that it didn't take me seven years to get an agreement. So that's kind of nice. There you go.

The Chair (Ms. Soo Wong): Okay. All those in favour of motion number 11? All those opposed? The motion is carried.

Shall schedule 1, section 4, as amended, carry? All those in favour? All those opposed? Carried.

It has been brought to my attention that for schedule 1, section 5, there are no amendments. So I'm going to call the question. Shall schedule 1, section 5, carry? All those in favour? Opposed? Carried.

Schedule 1, preamble: Is there any debate, questions or comments on the preamble? Schedule 1, preamble: comments or questions?

Shall schedule 1, preamble, be carried? All those in favour? Opposed? Carried.

Shall the title of schedule 1 be carried? All those in favour? Opposed? Carried.

Shall schedule 1, as amended, be carried? All those in favour? Opposed? Carried.

Interjection.

The Chair (Ms. Soo Wong): The Clerk has advised me that there are no amendments to schedule 2, section 1. I'm going to go through them very quickly and then I'm going to call the questions. Okay? All right.

Shall schedule 2, section 1, be carried? All those in favour? Opposed? Carried.

Shall schedule 2, section 2, be carried? All those in favour? Opposed? Carried.

Shall schedule 2, section 3, be carried? All those in favour? Opposed? Carried.

Shall schedule 2, section 4, be carried? All those in favour? Opposed? Carried.

Shall schedule 2, section 5, be carried? All those in favour? Opposed? Carried.

Shall schedule 2, section 6, be carried? All those in favour? Opposed? Carried.

Shall schedule 2, section 7, be carried? All those in favour? Opposed? Carried.

Shall schedule 2, section 8, be carried? All those in favour? Opposed? Carried.

Shall schedule 2, section 9, be carried? All those in favour? Opposed? Carried.

Shall schedule 2, section 10, be carried? All those in favour? Opposed? Carried.

Shall schedule 2, section 11, be carried? All those in favour? Opposed? Carried.

Shall schedule 2, preamble, be carried? All those in favour? Opposed? Carried.

Shall the title of schedule 2 be carried? All those in favour? You've got to show your hands. All those in favour? Opposed? Carried.

Shall schedule 2 be carried? All those in favour? Opposed? Carried.

All right. Now we're going back to the sections. Section 1: Are there any comments or questions on section 1 of the bill? I see none. Shall section 1 be carried? All those in favour? Opposed? Carried.

Now we're talking about section 2. Shall section 2 be carried? All those in favour? Opposed? Carried.

We're talking about section 3. Shall section 3 be carried? All those in favour? Opposed? Carried.

Now we're dealing with the title. Shall the title of the bill be carried? All those in favour? Opposed? Carried.

Shall Bill 7, as amended, be carried? All those in favour? Opposed? Carried.

Shall I report the bill, as amended, to the House? All those in favour? Opposed? Carried.

Thank you very much. The committee is adjourned.

The committee adjourned at 1447.

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**Legislative Assembly
of Ontario**

First Session, 41st Parliament

**Assemblée législative
de l'Ontario**

Première session, 41^e législature

**Official Report
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(Hansard)**

Tuesday 20 January 2015

**Journal
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(Hansard)**

Mardi 20 janvier 2015

**Standing Committee on
Finance and Economic Affairs**

Pre-budget consultations

**Comité permanent des finances
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Consultations prébudgétaires



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ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON
FINANCE AND ECONOMIC AFFAIRSCOMITÉ PERMANENT DES FINANCES
ET DES AFFAIRES ÉCONOMIQUES

Tuesday 20 January 2015

Mardi 20 janvier 2015

The committee met at 0901 in Hotel La Place Rendez-Vous, Fort Frances.

PRE-BUDGET CONSULTATIONS

The Chair (Ms. Soo Wong): I am going to call the meeting of the Standing Committee on Finance and Economic Affairs to order. Welcome, everybody, to Fort Frances for the pre-budget consultations 2015.

AINSWORTH ENGINEERED CANADA LP

The Chair (Ms. Soo Wong): The first witness is Ainsworth Engineered Canada LP.

I just want to give some instructions before we begin. Each witness will have a total of 15 minutes, 10 of which are for their presentation, followed by five minutes of questions from the committee members. Our party rotations start with the government.

For the purpose of Hansard, we need every witness to introduce themselves and their colleagues. Can you please begin, sir?

Mr. Terry Ouellet: Good morning. I'd like to welcome the Standing Committee on Finance and Economic Affairs to the Rainy River district and Fort Frances. It's good to see this committee in this part of the province.

My name is Terry Ouellet and I am the site manager for Ainsworth Engineered Canada. The company owns an oriented strand board manufacturing facility located in Barwick, Ontario, which is a community 45 kilometres west of Fort Frances within the municipality of Chapple township. I'd like to take a few minutes to provide you with a background to our company and facility, after which my woodlands manager, Rick Ksiezopolski, will address some specific concerns for your budget deliberations.

Ainsworth Engineered Canada, which I'll call Ainsworth, is a leading manufacturer of oriented strand board, also known by the acronym OSB. Ainsworth focuses on specialty value-added OSB products for markets in North America and Asia. We are a publicly traded company, with four OSB mills located in Alberta, British Columbia and Ontario.

The Barwick manufacturing facility was constructed as a greenfield mill approximately 20 years ago. We directly employ 170 full-time positions and support another 180 jobs through independent logging contractors. If you

apply the economic multipliers developed by the Minister's Council on Forest Sector Competitiveness, every direct job in a forest-resource-processing facility generates 2.33 indirect jobs throughout the region and an additional 1.73 induced jobs throughout northern and southern Ontario. Using these multipliers, the mill's 170 direct jobs produce 396 jobs within the region and 294 induced jobs throughout Ontario. This makes our manufacturing facility one of the largest employers within the Rainy River district.

Most of our annual expenditures stay within the local communities. Our employees and the independent logging contractors live throughout the Rainy River district and contribute to the tax base of many small municipalities located within the district. Approximately 50% of our employees are based in Fort Frances, with the remaining being scattered throughout the district from Atikokan to Rainy River and north to Nestor Falls.

We have an excellent workforce and are proud of our safety and environmental performance. I am pleased to announce that as of yesterday we have achieved the significant safety milestone of working for five years without a lost-time accident. This safety achievement was made possible by the extraordinary commitment and dedication of all team members at the mill.

Generally, OSB manufacturers focus on commodity products that primarily target new home construction and renovation markets. Since 2008, the commodity price has remained relatively low and continues to do so as a result of slow demand.

At Ainsworth, we have and continue to invest to diversify from commodity production. Some 70% of the production at the Barwick mill is specialty value-added products, such as custom dimensions for recreational vehicles, furniture manufacturing and premium flooring products. This focus on specialty value-added products resulted in the Barwick facility being one of nine mills in North America that ran continuously throughout the recession.

All production from our facility is sold into the North American market, primarily in the north-central and Midwest corridor of the United States.

The specialty value-added focus also creates economic and employment opportunities for local communities. For example, through a business relationship with Manitou Forest Products, OSB is remanufactured into a finished product called rim board. The fabrication facility is co-

located in a specialty sawmill on Manitou First Nations. This operation employs 25 people within the community.

I would now like to turn over the presentation to Rick Ksiezopolski, the woodlands manager, who will discuss specific concerns for your budget deliberations. I thank you for your time this morning.

Mr. Rick Ksiezopolski: Thank you. Good morning. Rick Ksiezopolski is the name, as you probably heard.

I think it's important for the mill to continually improve its competitive position through ongoing capital investments in order to compete with newer, larger, low-cost facilities that operate in North American jurisdictions. These other facilities have a significantly lower cost structure. Any increase in taxes, fees, royalties, stumpage, utilities, and changes to government policies and the like impact the competitiveness of our mill and our continued investment and employment.

The largest input cost in the production of OSB is wood cost. The Barwick facility has one of the highest wood costs in North America for an OSB facility. All elements that make up our total wood costs are high. These include forest management fees, forest renewal fees, stumpage, roads, logging and trucking. Government policies directly impact these costs. The Ontario Forest Industries Association—the OFIA—of which we are a member, will be making a presentation that will address some of these impacts, and we support the OFIA's position on those matters.

Specific to our facility, we understand that the Treasury Board has asked the Ministry of Natural Resources and Forestry to increase the minimum stumpage paid for poplar and white birch from 59 cents a cubic metre to \$4.83 a cubic metre. This 820% increase is unconscionable and will jeopardize all our past efforts and investment and will challenge the viability of our mill.

Further, as part of the stumpage system, a residual value formula is applied that results in the highest residual value rates in Canada. We ask that the Ministry of Natural Resources and Forestry adjust the formula to make it competitive with other jurisdictions.

One of the largest elements of our logging costs are associated with fuel. While gas prices have been falling throughout the province, they remain stubbornly high within the local economy. Gas prices are 99.9 cents per litre while across the border in International Falls they are 60 cents a litre on an equivalent dollar basis. Pricing in Winnipeg is approximately 75 cents, which I understand is similar to southern Ontario. Diesel fuel prices remain high as well.

There are many complex and mysterious variables for market prices, and we ask the committee to be mindful of these differences and question market pricing if the opportunity arises.

On a positive note, the Ministry of Natural Resources and Forestry program for forest roads has assisted the industry, and we ask for continued support for this program.

Energy cost greatly affects the production cost of an OSB mill. Currently, Ontario recognizes the impact of

high electricity costs on the forest products sector and established the Northern Industrial Electricity Rate Program, or the NIER Program, to offset electricity costs. It is critical that the NIER Program become permanent to protect the economic viability and competitiveness of not only our mill but all forest product manufacturing facilities.

Also with respect to electricity, while the NIER Program addresses the immediate pricing, consideration needs to be given to long-term price increases, as we are becoming a jurisdiction with the highest electricity costs in North America. Fair, predictable and competitive utility rates are critical to job retention, business development and job growth for all sectors.

0910

Recently we met with a local municipality to discuss upcoming municipal taxes. They indicated that they will not be able to present a budget without a tax increase. Numerous factors such as the doubling of policing costs, continued program offloading, increased regulations and the need for plans, in order to make plans for items such as assets, water and landfill etc., came up as the root cause. While not familiar with the specifics, any policies that impact municipalities directly impact our facility, our employees and the independent logging contractors, and we ask the committee to consider the downstream impact of any changes.

Finally, throughout the day, you will hear about the move towards a more inclusive model of forest management for the local forests. Ainsworth is supportive of this move, as long as it provides a secure, long-term, cost-competitive fibre supply in support of our continuing investments.

I thank you for your time and thank the committee again for coming to northwestern Ontario.

The Chair (Ms. Soo Wong): Thank you very much. This round of questions is to Mr. Baker. You have six minutes.

Mr. Yvan Baker: Thanks very much for coming and for sharing with us your thoughts and input. I certainly can appreciate that one thing you highlighted was the importance of the forestry sector to our economy in Ontario, particularly to communities like Fort Frances. I can certainly appreciate that.

Can you talk a little about some of those macro-economic challenges and the challenges facing the industry? I would like you to talk a little bit more about the challenge you face in the OSB, in the area of strand board, and what future trends you see in the OSB North American market.

Mr. Terry Ouellet: On the newer mills, much larger, they can focus on being low-cost producers. Being a smaller mill with higher costs to do with some of the things that we mentioned, wood in particular, we've had to diversify. The mill originally was built as a commodity mill and we had the three or four products it made. We currently can make over 400 SKUs of products. In fact, we've diversified ourselves into value-added and non-commodity markets, and even building new products, we

may have used different types of wood for, or different lines of products—or convert them into OSB, creating our own markets.

We fully intended on doing that last year when we were at 65% value-added; this year, we're almost 70% value-added which we plan to attain, so getting to the value-added is key for us, and breaking into markets like that, into furniture, for instance, or these big markets.

Mr. Rick Ksiezopolski: A further comment on the macro level: Housing starts are a critical issue. If you look at the US housing starts, prior to the recession, if you want to call it depression, whatever it may be, they always ran about two million or 2.2 million in the US, and now they're barely struggling—they've been bouncing around the million. So, if you take a look, if you take a million houses out of the picture, that affects the price of the OSB products. The key indicator is housing starts in terms of the OSB sector.

Mr. Terry Ouellet: And year after year, the starts are forecasted to be here, and they've come up quite short, year after year, since the whole downturn started.

Mr. Yvan Baker: I appreciate that. One of the things that's happening, and I imagine you're aware, is that our government is undergoing a forestry tenure modernization process. We're moving into what's called enhanced Sustainable Forest Licences, known as eSFLs. What benefits do you see to that process?

Mr. Rick Ksiezopolski: As I said, we support the movement toward the eSFLs, as long as it provides for a cost-competitive wood supply and provides additional security. I think, from a company's perspective, it just allows you to be at the table when they're making decisions on the forest itself, and not to say that anything is wrong with what's going on now, but it's just a matter of you're at the table, you can have the same position and strength with the other parties that are there, and it allows for more involvement from the community as well.

Mr. Yvan Baker: Okay. I appreciate that.

The Chair (Ms. Soo Wong): Three more minutes. Ms. Hoggarth.

Ms. Ann Hoggarth: Actually, I just want to say something positive. I congratulate you on your great health and safety record. That makes everything better for the workplace and for everyone who works there and for the whole community. Thank you.

The Chair (Ms. Soo Wong): Ms. Naidoo-Harris.

Ms. Indira Naidoo-Harris: I just want to ask you a question about stumpage and the stumpage pricing. You touched on that a bit. I want to find out how we've benefited from that and if you feel that there are things that we could do to improve.

Mr. Rick Ksiezopolski: From the stumpage perspective, the government adjusted the stumpage lower, at \$108, *[inaudible]* when the economy was changing, and certainly that allowed us to stay in business. The price at that time was very low, and it continues to be so right now. Right now, we're almost at the bottom again. The OSB price is \$200 per thousand board feet. Back at the lowest point in the recession, it was about \$180, so we're

not far off from that. Therefore, all that any contemplation of an increase does is just reduce our bottom line, plus it jeopardizes the viability of the mill. It's a fixed constant. It's part of your business, where you can't fill it out with the marketing and get more money for it. It's like electricity. It's a commodity product, and the market tells you what the price is. When you compete globally, it's just another variable that goes into the cost structure that I can't sell or increase my price to get back.

The Chair (Ms. Soo Wong): Thank you for your presentation, sir.

COUCHICHIING FIRST NATION

The Chair (Ms. Soo Wong): The next witness is Couchiching First Nation: Chief Sara Mainville.

Good morning, Chief. As you heard earlier, you have 10 minutes for your presentation. This round of questions will be from the official opposition party. You can begin any time. Please identify yourself as well as your colleague who is sitting with you.

Chief Sara Mainville: Good morning. My name is Sara Mainville. I'm chief of Couchiching First Nation. Sitting with me is our councillor, Ron Archie. He is an advocate for economic development of Couchiching, so I wanted to bring him along.

I'm going to talk about three things. One is relationships, another is economic development, and the third is education. I'm bringing to you a First Nations perspective from northwestern Ontario as well as specific requests from Couchiching First Nation.

I want to say boozhoo. That's the traditional greeting of this land.

Welcome to Couchiching. Welcome to the land that was set aside for Treaty 3. This is an Agency 1 reserve. This place has been known as Couchiching forever. It was known as Couchiching before this fort was built—any fort, including Fort Frances.

My first slide is about the Ipperwash inquiry—because I think that it hasn't held a lot of promise and yielded the results to date. I think there have been unreasonable expectations on both sides: the government of Ontario's side and the First Nations side. As somebody who has practised law and has gone to several meetings on Ipperwash and some of the priorities, I understand that there needs to be a rethink on how to roll some of the promised results out. It really is needed to make a change in the relationship between the government of Ontario and First Nations across Ontario.

In 2007, I think several First Nations thought there was hope that our treaty would finally be recognized by Ontario. In the meantime, here in Treaty 3, we fought all the way to the Supreme Court of Canada with Ontario to talk about what your relationship is with the First Nations in Treaty 3. I think there are glimmers of hope in the Supreme Court of Canada judgment that there could be some reconciliation of your rights, your responsibilities, and indeed our rights and our responsibilities as Treaty 3 Anishnawbe.

I am very happy that there is a Ministry of Aboriginal Affairs. I'm very happy that Deborah Richardson is now the deputy minister of the Ministry of Aboriginal Affairs. In fact, we just talked yesterday. She has a good relationship with First Nations, and I hope that will colour the relationship across the ministries with First Nations.

I know that in 2007, we looked at resource revenue-sharing with hope, because we had a deal with the Ontario lottery money. That 1.7% is not enough, but it does indeed help our First Nations in Couchiching. It does help in economic development; it helps us make investments in things, especially things that languish, like education, health and community development.

0920

One of the things, as a lawyer, particularly a lawyer who has worked on land claims, is the Treaty Commission of Ontario. It has got to do more than educate the Ontario public on treaties. It has got to look at what, in fact, Ipperwash was about: a land dispute. The land that we are on now is disputed land. It was agency reserves set aside so that the First Nations in the area could come and receive their \$5 annuities and have that relationship with the crown governments. This land has been taken away from us.

I'm pretty pragmatic. I don't like spending thousands and thousands of dollars on lawyers to resolve this dispute, so we're sitting down with governments; we're sitting down with the town of Fort Frances, trying to resolve it. But we need a better Ontario policy about land claims. We need less of a focus on real estate values and more of a focus on the values of relationships, the values to honour that treaty in order to right wrongs that are centuries old.

Our resources are also a problem here in Treaty 3. Our resources, for the most part, are heading east, and that's nonsensical to all of the local communities here. The resources need to stay here. I like the dialogue that happened about the eSFLs. I know quite a bit about eSFLs. I've worked in the Kenora area. I've worked on relationship-building with the Ministry of Natural Resources. I think that there are some good things we can take from that model, and some better things from other models as well, to create a made-in-Ontario, especially a made-in-northwestern-Ontario, model that works for these local communities that are languishing in an economy that has been ignored by Toronto.

You guys are far away from us for the most part, but we are definitely contributing to the long-standing economic livelihood of this province. We're important contributors. Unfortunately, we have been left out in the cold for the past seven years.

I have a slide on First Nation education and some important gaps. Couchiching First Nation is a community of about 2,400 members. Unfortunately, only one third of the membership lives in Couchiching because we don't have much economic development opportunity. We have several role models—youth working in Minneapolis as graphic designers, and in Thunder Bay working for the government and for other First Nation organizations. We

can't bring them home because we don't have any opportunity or hope to grow their young families here in Couchiching.

We also can't compete with other local communities, like the town of Fort Frances, because of hydro. If you go feet away, from one residence to another you go from a \$550 hydro bill to a \$140 hydro bill because of the way that energy has been planned and developed here in Ontario.

We ask the province of Ontario to consider a strategy to lift up those high schools, like Fort Frances High School, which have a significant aboriginal population. We have 80 students from Couchiching going to the Fort Frances High School. Some of them are doing well and some of them don't do so well. I'm a lawyer; I have a master of law degree. I know the stress it is to go to Fort Frances High School as an aboriginal student. It is stressful, and I think that we need to do more to support aboriginal students to be successful. We have a good number of people who make the honour roll. It's because we have parents, in Couchiching especially, who really value education. We want to lift up all the aboriginal students—and there are much more than 80 in Fort Frances High School, to be clear, who could be helped by a special program to help those high schools which have significant aboriginal populations to join the new economy.

We have a new gold mine coming up. It's a practical reality that there will be a new gold mine near Rainy River. We do not have the resources to make sure that we can really capture that opportunity in our First Nations, and one of the reasons is because of the way that major curriculum like technical skills, science and math are not being delivered effectively in northern high schools.

We're one of the few high schools that actually have a sit-down classroom. Some of them do it electronically through websites, which I can't imagine, I can't fathom. I've been lucky enough to be sitting in classrooms all my life in different universities and Fort Frances High School. But I know when we send our kids to universities, to engineering programs, they're two steps behind because they don't have the curriculum in the Fort Frances High School to compete with southern Ontario students. I think it would be a very worthy investment to look at investing in northern high schools, especially those that service aboriginal communities like the Fort Frances High School does.

The next slide is on accommodating Treaty 3. I mentioned much of this, but I want to mention the Crossroute Forest. There is significant First Nation interest in the Crossroute Forest. It's something that should be prioritized as an immediate dialogue with the First Nations, about their preferred model on how to structure tenure in the Crossroute Forest. There are at least 14 First Nations that should be accommodated in the Crossroute Forest, Couchiching being one of them.

We have joined Fort Frances in saying that it has to be a priority to focus on industry here in Fort Frances. I am a partner with Fort Frances to want to see their economy grow and strengthen, and if the kraft mill is viable, let's

see what we can do to make it viable to a buyer or an industry. I think we missed a tremendous opportunity a few months ago, but I think there are other opportunities out there. I think the workforce here is tremendous and I think that we have a lot of value to give for investment here locally.

The Chair (Ms. Soo Wong): Chief, can you wrap up, because we have five minutes for the opposition to ask you and your councillor some questions?

Chief Sara Mainville: Sure. Let's move to the concluding remarks in my slide deck.

I thank you very much for coming here. I'm very happy and surprised that there is an Ontario government presence here listening to local concerns. I'm very happy about that. I think that there has to be more dialogue with First Nations in particular about resource development. The resource revenue sharing is going to—we're at a precipice where it needs to happen; it really needs to happen. For resource development to work in Ontario, resource revenue sharing has to happen. There are many of us who have put our minds around this and we have thought about this, and there are workable solutions there, but the dialogue has to be real and substantial.

Thank you.

The Chair (Ms. Soo Wong): Thank you very much. Mr. Fedeli, do you want to lead off the questions? You have four minutes.

Mr. Victor Fedeli: Thank you, Chief, for being here. It's nice to see you today.

I have two areas here. I want to talk about the resource revenue sharing and something that the previous presenters had said. They said, "Throughout the day, you will hear about the move towards a more inclusive model of forest management" in the local forest, and they said they were supportive as long as it provides secure, long-term, cost-competitive fibre supply.

In addition to the resource sharing, is there anything you would like to add—because your time was short—on fibre supply? Do you have anything that you would like to share with the committee in that area?

Chief Sara Mainville: I think that one of the things that we have to focus on and I think your government has to focus on is a system that works for as many as deeply as possible. In my community, we've been bush workers. We've had bush workers in this forest since forestry started, and very successful people at it. I think that the system has to work for everyone, and I'm happy to hear Ainsworth talking about how it impacts them.

A kraft mill is something important because it creates good jobs: There are good jobs there, but I don't want to discount the people who are working in the bush—and the focus on the best system that works for everyone.

Mr. Victor Fedeli: In your concluding remarks—because you had to skip over to get to them—you have a paragraph here about energy costs. It says, "Energy costs steal any capacity we have to do economic development, the rates we pay to Hydro One cannot be justified" etc. Can you talk about that one, use a couple of minutes of this time to just talk about the energy rates?

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Chief Sara Mainville: Sure. We're serviced by Hydro One because, as a First Nation, we're not seen as organized. We talked to the Ontario Power Authority when they were there, and we are continuing to talk with the other agencies about finding a way to do some type of local delivery for our community. We've also talked to the town of Fort Frances. But in the meantime, the status quo is the Hydro One rates; and there are significant delivery costs to reach our community and the aging infrastructure. I think one of the things is that line loss and things like that means we're paying for hydro that never gets to our homes.

We have a beautiful arena, and I have to say that the Ontario government helped us build that arena. We pay money that we can't afford to manufacture ice in that arena.

Those types of things make it very difficult for us to have the recreational services so that we keep our youth home, we keep our young families home. We try to do that, but the hydro rates just make these things unsustainable.

Mr. Monte McNaughton: Just a quick question. There's a line in here that caught my attention. You are criticizing, I guess, the government regarding lobbyists. Can you talk a bit about that, explain why that's in here?

Chief Sara Mainville: Why it's in here is because Couchiching did try to do solar power; we did have a 10-megawatt project to do solar power. Another First Nation also had a solar power project. The only difference was that we didn't hire a lobbyist. I find that's often the case. When I do go to Toronto with a good idea that will help my community without a lobbyist, it's more difficult. As a lawyer, I've worked with communities that can afford lobbyists, and I see the help—like, you shouldn't have to be a friend of the present government to be heard. I think with this government in particular, I have to say—I have to make that criticism—you can't have a good idea and get the support of the government without a guide.

Mr. Monte McNaughton: So you're specifically saying with energy contracts—

Chief Sara Mainville: Yes.

Mr. Monte McNaughton: —you need, essentially, a lobbyist to get the approval?

Chief Sara Mainville: I'm hoping that the recent changes will change that, and in fact I have voiced those concerns with ministry folks, the Ministry of Energy, as well as, yesterday, with Deborah Richardson from the Ministry of Aboriginal Affairs, that it's a concern.

Mr. Monte McNaughton: Thanks for bringing—

The Chair (Ms. Soo Wong): All right. Thank you very much. Thank you, Chief, and thank you, Councillor, for being here.

ENGAGE

The Chair (Ms. Soo Wong): The next witness is ENGAGE, the Fort Frances young professionals network: Erin Wood, member. This round of questioning

will be from the NDP. Good morning. Could you identify yourself and your members for Hansard purposes, and you have 10 minutes for your presentation.

Ms. Erin Wood: Okay. I'm Erin Wood and this is Tannis Drysdale.

Good morning, everyone, and welcome to Fort Frances. My name is Erin Wood. I grew up in the Rainy River district and attended Fort Frances High School. I'm a local business owner. In addition to my professional responsibilities, I'm a proud mother of my two-year-old son, Liam.

I am a new member of the Fort Frances young professionals network. As a group, our focus is to explore the recreational and civic opportunities available in and around our community for professionals aged 20 to 35. It provides the young people of our district, whether they are new to the area or lifelong citizens, a network of other young, like-minded individuals seeking to engage in the community, as the name suggests.

In 2010, I opened my first business, and today we employ six people. We provide a full complement of salon and aesthetic services to our client base that lives in the Fort Frances and Rainy River district area. My business, like most businesses here in the district, is dependent on the forest industry. Most of my clients, their spouses or their children generate their income from or because of the forest industry; if not directly, then indirectly, as schoolteachers have jobs because their students are the children of loggers or mill workers, and so forth with nurses, electricians, store clerks—you get the point.

There has been a paper mill in Fort Frances for the last 100 years, and that mill has always been fed with the wood from the Crossroute Forest. Simply put, Fort Frances exists as a result of the fibre in the Crossroute Forest. We, the people of this community and this district, believe that the fibre should continue to be used to support the operation of a mill here in our community.

Attached, you'll find a map of the forests and a brief background for you to review that outlines the key points of this presentation.

When Resolute made the decision to close the mill, it came as no real surprise to our community. This is not to say that it wasn't devastating. Losing high-paying jobs with good benefits and pensions in a small, isolated community means that families separate, homes are sold and new lives have to be started.

My husband was previously employed at the local paper mill and was fortunate to find similar work close to home. Others haven't been so lucky. They've had to work far from home away from their families or move away entirely, but we all understand that newsprint was a declining commodity.

Resolute was failing to invest in new equipment or innovation, and the writing, so to speak, was on the wall. We were told at that time that the company intended to seek a buyer and was hoping to either work with a new producer of different products or create a new product to sell themselves. We don't know for sure if that ever happened, but what we do know is that several large forestry

companies attempted to make deals with Resolute that eventually failed.

One of these companies was Expera Specialty Solutions. Expera is a specialty paper company that produces a wide variety of products, ranging from 3M tape to Orville Reden—I can't say it—

Ms. Daiene Vernile: Redenbacher.

Ms. Erin Wood:—thank you—microwave bags. I think you may have had samples of some of the products that they wrap left in your room as gifts.

Interjection: And thank you.

Ms. Erin Wood: You're welcome.

We understand that Expera worked for months to purchase the mill's assets, sending in engineers and HR people, talking to other forestry companies like Kenora Forest Products, and engaging our First Nations. Suddenly, in late October, they pulled away from the deal. I know that later today our economic development officers and the CAO of Fort Frances will be here, so I'll leave it to them to expand further on those details.

Resolute Forest Products not only owns the mill; they have a licence to manage the forest. What I would like for you to understand from myself today, as a representative of young business and professionals, is that the forests of Ontario should belong to the people of Ontario. It is perfectly logical that we contract out the management of those forests, and obviously, in long-term ways, should be doing that collectively as First Nations, Métis people and municipalities, so that one corporation cannot hold the key asset to the future of our community.

Our forest is our future, and what needs to be done here is simple: We need you to encourage the Minister of Natural Resources and Forestry to enforce the licence.

Now that Resolute is not using the trees to support the mill that the licence was assigned to, make the forest a crown management unit. This has happened repeatedly across the province and actually is the status next door in the Sapawe Forest. Today, you are going to hear more about this issue and the opportunity that the province has right here to change the direction of the forest industry in Ontario.

We know that the kraft milling paper machines have a real chance to be marketable if the government of Ontario will work with the community to secure the forest fibres for a new owner. Companies like Expera that were willing to invest in our district will pay timber fees to the province, create jobs, and stabilize the economic position of communities like ours.

Thank you for taking the time to travel here today to our hometown. I hope you leave with an understanding of the urgency of our situation and the real opportunity here for the people of this district: the opportunity for you to make our future here a bright one. Thank you.

The Chair (Ms. Soo Wong): Thank you very much. In this round, the questioner is Ms. Fife. You have about seven minutes.

Ms. Catherine Fife: Thank you very much, Erin, for the presentation. I must tell you that all of the MPPs, I'm sure, appreciated hearing from our forest future, and thank you for the gifts.

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I do want to say at the onset that the member for this riding, Sarah Campbell, of course would have loved to have been here. I don't know if you've been following the work that she has been doing in the House on this issue. She is expecting a baby very soon, so that took priority today, but I know that she's passionate about this issue. She was fighting, actually, to ensure that the mill was at least heated throughout the winter, so that it could be viable and so that it could be sold at a later date. I know that the Conservatives, obviously, were very supportive of that, as well.

And I agree with you: I think that there are a lot of marketable items that could be developed at this mill, and you gave us some examples. What sort of response have you gotten thus far from the government, in your words, in your request to at least keep the wood here, so that those natural resources still remain in the hands of this town, so that a mill would be viable?

Ms. Tannis Drysdale: Just so it's in Hansard, I'm not actually under 35.

Ms. Catherine Fife: Okay.

Ms. Tannis Drysdale: Look, it's a complicated file, and we appreciate the work that the NDP and the Conservatives have done on it, but the government has helped as well. We have a long road to go on this one, and I can't tell you how it's going to end. How it's going to end is really up to the government.

We can have a community here with no access to our fibre, and have a pulp and paper mill that could have been sold come down. You can make that difference by going back, talking to the Minister of Finance and talking to the Premier. Keep asking those questions when the Legislature resumes.

Ms. Catherine Fife: So I guess my question, then, is this: You've had those conversations with the government and with the minister; they've been in the House, and they've been very direct. What is the major barrier to making these forests actually come under the licence of the crown? Can you identify that barrier?

Ms. Tannis Drysdale: I don't think we've determined that yet.

Ms. Catherine Fife: But Erin did mention that it has happened in other municipalities, and the Ministry of Natural Resources has complied with those requests. In order to solve an issue, you actually have to understand what the barriers are. This is your opportunity, in a public setting, to state very clearly what the barriers are.

Ms. Tannis Drysdale: We don't perceive that there are barriers to this. We think that this is well within your rights as a government to do and that you need to take action on it. We want to keep those loggers logging, and we want to open a sawmill in Atikokan, too; that helps us. We want everyone to have access to fibre—we know that there is fibre in the forest for everyone—and we need action. I guess that's the barrier, right?

The mill is being heated. The government was helpful with that. You—the NDP and the Progressive Conservative Party—were very helpful in bringing that issue to the

attention of the government. We appreciate that. We're only two yards down the road. We've got a long way to go on this, and we don't have very long to do it.

Ms. Catherine Fife: So what is the time frame? That would be helpful for us to hear.

Ms. Tannis Drysdale: I imagine that if we do not see serious changes in the next three or four months, we'll start to see a mill come down in Fort Frances.

Ms. Catherine Fife: One final question, if I may—how much time?

The Chair (Ms. Soo Wong): Three minutes.

Ms. Catherine Fife: If the licensing agreement is not changed and this wood does not come under crown control, where is the wood going to go? What will happen to this forest, this natural resource? Where is the wood going right now?

Ms. Tannis Drysdale: Later on this morning, we have Mike Willick coming to talk. He is our forestry expert, so I don't want to provide you with information that may not be entirely correct. We don't know for sure where that wood is going to go. Mike is going to give you some idea as to where it has gone in the past.

Look, who wants to have a conversation about what's going to happen to the fibre that created our community when it goes away, right? That's not something I want to hypothesize on.

Ms. Catherine Fife: No, we—

Ms. Tannis Drysdale: It's our fibre, and it needs to stay here, full stop.

Ms. Catherine Fife: You've been very helpful, because you've identified that there are no barriers whatsoever. This is a matter of political will to ensure that the fibre stays here, so that Fort Frances stays alive. Yes?

Ms. Tannis Drysdale: Yes.

Ms. Catherine Fife: Thank you very much.

The Chair (Ms. Soo Wong): Okay. Thank you very much, ladies.

ONTARIO FOREST INDUSTRIES ASSOCIATION

The Chair (Ms. Soo Wong): The next witness is the Ontario Forest Industries Association: Christine Leduc. Welcome. You have 10 minutes for your presentation. This round of questions will be from the government side.

Can you identify yourself for the purposes of Hansard, please?

Ms. Christine Leduc: Sure. Christine Leduc. I'm OFIA staff.

The Chair (Ms. Soo Wong): You can start.

Ms. Christine Leduc: Members of the standing committee, for 72 years the OFIA has represented forestry companies ranging from large multinational corporations to family-owned businesses that operate across the province.

Canadian provinces are maximizing the opportunities associated with the forest sector's recovery. FPAC's report states that Canada's industry will generate an addi-

tional \$20 billion in economic activity and hire 60,000 new recruits by 2020. Right now, forestry students have a 100% employment rate, higher than that of computer science, math and physical science specialists.

We appreciate that the government recognizes that it is the private sector that creates jobs. OFIA members are ensuring that Ontario benefits from this forest sector recovery opportunity. In 2012, our sector supported 55,600 direct jobs, up 2,100 from 2011. Each direct forestry sector job supports three indirect jobs across the province.

OFIA members have announced recent investments of over \$410 million in Ontario to rebuild facilities, increase capacity and build new facilities. Accordingly, harvesting levels have increased from a low of 10.5 million cubic metres in 2010 to over 14 million cubic metres in 2013. This is Ontario's forest sector putting wood to work.

Long before sustainability became a modern catchword, the forest sector understood that the responsible use of trees can support families and communities for generations. OFIA member companies are committed to the principles of sustainability. Through forest management planning, we are planning for generations by providing for healthy forests now and in the future, generating a range of benefits.

Regarding sustainability, an OFIA member said, "We have weathered recessions and depressions, World Wars and fires, but our passion and commitment to sustainable forestry has never abated. For me, it means that I have a responsibility to ensure that the forest is taken care of so that my kids can grow up to be the sixth generation to sustainably harvest timber from Ontario."

Ontario has a stringent regulatory framework that governs forestry operations, ensuring the long-term health of the forest. It is critical to note that all forestry companies in Ontario must operate under the Crown Forest Sustainability Act and that all products made in Ontario are sustainable.

We appreciate the Premier's commitment to protect the sector's sustainable industrial fibre basket, and today we are asking government to act on this commitment by providing the sector with certainty that companies will be able to utilize the full available harvest. It is critical that companies have dependable access to the 26 million cubic metres. New policy should not preclude the use of sustainable fibre that has been committed to the industry now and in the future. OFIA was concerned recently when MNRF released yet another caribou policy with no understanding of the mid- to long-term socioeconomic impacts to the forest sector.

OFIA asks government to work with stakeholders, as provincial policy is continuously impeding access to industrial fibre, and this creates significant business uncertainty for a sector that supports over 170,000 hard-working families in over 260 communities. Now is not the time to be impeding the use of Ontario's naturally renewable resource. The modern forest sector is adaptive, innovative and integrated. It's green. It's high-tech. It is the foundation of the provincial low-carbon green economy.

OFIA believes that by working with government to address key competitive challenges, secure long-term consistent access to affordable fibre, develop pragmatic public policy and promote the province's forest products, Ontario will be the number one jurisdiction in Canada for today's green and growing forest sector.

Let's seize this opportunity by taking action in seven key areas. The recommendations are detailed in our comprehensive document, but I'll go over them now.

(1) Wood: Trees grow. Whether you are an existing mill, new entrant, a big company or a small family-run company, in order to keep people working and put Ontario's wood to work, the sector needs consistent access to affordable fibre. We ask government to support the forest sector's recovery with pragmatic public policy and to conduct transparent socio-economic impact assessments of any new or revised legislation, regulation or policy that could impact the sector.

(2) Market development and protection: We recently witnessed how a well-financed organization embarked on a malicious campaign intended to damage the market for Ontario products sourced from Canada's boreal forest. As mentioned earlier, all forest products coming from Ontario are sustainable.

These reckless campaigns cost our member companies their reputation and customers, while destroying the social and economic fabric of northern and rural Ontario. The government must defend its own forest management practices, as other jurisdictions are doing.

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(3) Tenure certainty: Where wood is working, let it.

(4) Endangered Species Act: In 2013, members of the ESA panel provided the government with consensus-based recommendations. OFIA was pleased to see those recommendations reflected in the government's regulatory changes to the ESA.

While we fully supported these high-level regulatory changes, the sector remains concerned that flawed one-pillar ESA policy continues to be developed and ignores the negative socio-economic impact to communities—by continuing to shrink Ontario's renewable fibre supply dramatically, limiting green economic opportunities and creating uncertainty.

I had too many quotes to choose from, but here's one. One of our members recently said, "Jobs are being sacrificed and there is little or no benefit to the ... species. We say unequivocally that we would be" hiring "more people if not for the unnecessary legislation contained within the ESA."

(5) Competitive restoration measures: Over the past five years, the provincial government has implemented numerous competitive measures that have been instrumental in making Ontario a more cost-competitive jurisdiction for our sector. However, Ontario remains a high-cost jurisdiction.

On road funding: OFIA supports Premier Wynne's commitment to restore the roads program to a level of \$60 million for 2015-16 and 2016-17, which demonstrates the government's commitment and support for

building and maintaining public resource access roads in northern and rural Ontario.

On poplar and white birch stumpage: When our member companies reviewed Ontario's hardwood stumpage rates for the production of OSB against other jurisdictions in Canada, they identified that Ontario's hardwood dues were in the middle of the pack to the least competitive in Canada. This represents a significant competitive disadvantage. In this competitive global market, being average or uncompetitive is not good enough.

(6) Ministry of the Environment and Climate Change: OFIA has been working closely with MOECC for the past 24 months on the development of a technical standard for the pulp and paper sector and updating environmental guidelines for biomass combustion. We would like to acknowledge the work by the MOECC on these important regulatory and policy documents.

(7) Electricity: With the forest products sector growing as a result of market rebound, companies are looking to invest in expansion of production or make new investments in Ontario, and we need to address the elephant in the room: electricity rates. The government needs to acknowledge that electricity pricing is a potential economic development tool, and in the short term implement effective programming that allows manufacturers to reduce costs, make investments and maintain jobs.

In the long term, the government must develop and implement a plan that reduces the marginal cost of electricity in the province to be in line with jurisdictions with which Ontario manufacturers compete. Until Ontario has competitive electricity rates, the government should ensure that other costs for the sector are competitive.

In conclusion, the forest sector recovery is the greenest opportunity to present itself in a generation. It's time to be excited about the potential of our forest sector and what it can do for our province. By working together, we can responsibly use our natural resource—wood—to support the sector, hard-working families, communities, First Nations and the province, and grow Ontario's low-carbon green economy.

Thank you. I look forward to your questions.

The Chair (Ms. Soo Wong): Thank you very much. This round of questions is from the government. Ms. Albanese.

Mrs. Laura Albanese: How many minutes?

The Chair (Ms. Soo Wong): Five minutes.

Mrs. Laura Albanese: First of all, thank you for your presentation, and thank you for your passion and enthusiasm; it's really nice to see.

I have a few questions. The first one is on the forest access roads program. You mentioned the government's commitment to increase that to a level of \$60 million. I wanted to understand how important that is.

Ms. Christine Leduc: The roads program is really critical. In last year's budget we were anticipating the same level of funding. As you know, the budget came a little bit late in the year, and the companies were really

shocked and surprised to find out that roads funding had been reduced 24%, to \$38 million. Forestry companies operate all over the province, and they build roads. These are resource access roads for other sectors, like recreation, for northern Ontario. So this roads funding program is really critical to the sector, and we're looking forward to seeing the \$60 million in the 2015 budget.

Mrs. Laura Albanese: So it's critical and it does make a difference.

Ms. Christine Leduc: Yes, it's huge.

Mrs. Laura Albanese: I believe you also mentioned that last year, during the SCOFEA hearings in North Bay, OFIA recommended that the government amend the Ontario building code. We have made changes to the code, and I wanted to know what impact you predict, as OFIA, that that will have on the industry.

Ms. Christine Leduc: It's a positive impact. The building code amendments positively impact Toronto and also impact the sector. The GTA and Toronto is Ontario's largest housing market, and there's an opportunity there for us to grow our market. So that was a good move.

Mrs. Laura Albanese: The Canada-US softwood lumber agreement is set to expire in October 2015. What is the position of OFIA members? Would you like to see that renewed, or would you—

Ms. Christine Leduc: Yes.

Mrs. Laura Albanese: —like to see us let it expire?

Ms. Christine Leduc: No. Renewed.

Mrs. Laura Albanese: Can you elaborate a little on that?

Ms. Christine Leduc: Um—

Mrs. Laura Albanese: Renewed.

Ms. Christine Leduc: Yes, renewed.

Mrs. Laura Albanese: Okay.

The last question would be, if I have time—

The Chair (Ms. Soo Wong): I saw two more hands.

Mrs. Laura Albanese: Oh, you have two more hands. Okay, so I'll—

Ms. Christine Leduc: No questions on tenure? I'm ready. Let's talk tenure.

Interjections.

The Chair (Ms. Soo Wong): I've got three minutes for Ms. Vernile and Ms. Naidoo-Harris. Ms. Vernile, can I get you to start? You have three minutes between the two of you.

Ms. Daiene Vernile: Since we have limited time left, Christine, and you talked about tenure, let's go to your comment. What do you want to tell us about tenure?

Ms. Christine Leduc: Well, I was looking forward to questions. I think we've heard some other comments on tenure.

If you look at Ontario, we have a diverse range of tenure models across the province, everything from crown agencies to single-entity SFLs to shareholder co-ops. I think we've got over 40 forests in Ontario that we're managing, and there are different tenure models that have evolved over time to cater to the local and regional objectives and goals.

OFIA wants tenure certainty. On tenure, our position is, where wood is working, let it. There are areas of the province where wood isn't working and there's some local demand from the industry, from First Nations, from communities, to see a change in tenure. So we've identified priority areas. There was a ministerial direction in 2013 that identified six key areas where MNR should focus its limited resources on those areas and move forward on those discussions. We're looking forward to seeing how those discussions in those priority areas are taking place. We just need certainty and secure access to fibre. That's the most important thing.

The Chair (Ms. Soo Wong): One minute for Ms. Naidoo-Harris.

Ms. Indira Naidoo-Harris: Just really quickly: I have members of my family who work in the forest industry in other provinces. I know that globally there are market trends that can affect and impact what is happening within the country. Can you just tell me how OFIA and the forest industry here in Ontario are perhaps being affected by global market challenges?

Ms. Christine Leduc: The big thing for us is the US housing market. Our harvesting levels are increasing over time. I said in my presentation that Ontario has a sustainable amount of fibre at the 26 million cubic metres. That's what we can sustainably take every year. We're at 14 million. That has grown since the downturn, when we had a level of 10 million, and that's directly because of the US housing market. We're really reliant on what's happening in the US. But there are emerging markets in other countries, so we're hoping to tap into that.

The Chair (Ms. Soo Wong): Okay. Thank you very much for your presentation.

Ms. Christine Leduc: All right. Thanks.

ANISHNAWBE MUSHKIKI GIZHEWAADIZIWIN HEALTH ACCESS CENTRE

The Chair (Ms. Soo Wong): Our next witness: Anishnawbe Mushkiki group. Are they here?

Good morning. Welcome. Can you identify yourself and your colleague for Hansard purposes? You have 10 minutes for your presentation. This round of questions will be from the official opposition party. Welcome. Thank you.

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Ms. Shanna Weir: Thank you. My name is Shanna Weir. I'm the executive director for the Gizhewaadiziwin Health Access Centre here in Fort Frances.

Mr. Travis Boissoneau: My name is Travis Boissoneau. I'm the interim executive director for Anishnawbe Mushkiki, located in Thunder Bay, Ontario.

Ms. Shanna Weir: Thank you very much for the opportunity to address the committee and provide a presentation to you.

Just a little bit of history initially about the aboriginal health access centres in the province of Ontario: There

are 10 of us in total that are spread out across the province. We were established in the late 1990s following the development of the Aboriginal Health Policy. The purpose of the AHACs was to provide a place to address healing, health and well-being for aboriginal people in the province. We have continued to grow over several years now since the initial establishment of the centres, and we continue to provide clinical prevention and social services to aboriginal people.

AHACs are governed by the aboriginal communities that they serve, and they use a holistic approach to care. For aboriginal health access centres, culture is treatment, so it is at the core of the work that we do. We are similar to our sister community health centres, which you may be familiar with, and are serving equally or even more complex clients. However, we're not resourced at the same levels. The median budget for a CHC, a community health centre in the province, is approximately \$3.1 million, whereas the median budget for an AHAC in the province is only \$2.3 million.

I will turn it over to Travis.

Mr. Travis Boissoneau: Essentially, what that brings us to is the ask from the aboriginal health access centres in Ontario. What we're requesting is to be brought to parity with the CHCs, essentially so that we can serve our population to the same extent that they can.

Just to add to a couple of Shanna's points: What we're doing is designing culturally safe and culturally appropriate centres where First Nations and aboriginals can come to seek not only primary care but, again, the traditional component to health care, whether that be a variety of types of services, like sweat lodges or talking circles, or even just First Nations education about our history and who we are. In order to offer our services to the population to the best of our ability—actually, not even to the best of our ability; but the very minimum request that we have is to bring our funding to parity with the CHCs.

What we're asking for is an \$8-million increase to base budgets as well as a \$2.1-million increase for some of the IT challenges that we've been having with regard to data management, information management and how we can track performance measurements and such. A few of us are lacking in that area as we can't employ, we can't upgrade and we can't participate in some of the similar IT investments that the CHCs have. We certainly want to be at par with our sister organizations to provide a better service for our aboriginal populations.

The Chair (Ms. Soo Wong): Are you finished with the presentation?

Mr. Travis Boissoneau: I believe so.

The Chair (Ms. Soo Wong): All right. Mr. Fedeli, you've got lots of time.

Mr. Victor Fedeli: Wonderful.

The Chair (Ms. Soo Wong): You have until—

Interruption.

The Chair (Ms. Soo Wong): You have until 10:15 for your questions to our witnesses.

Mr. Victor Fedeli: I have a very sensitive microphone, so I'll be very careful.

First of all, thank you for the exceptional work that you do—all of your organizations, all 10 of them right across the province of Ontario. I believe it has made a real difference across Ontario, so thank you very kindly for that excellent work.

I want to talk about the parity issue first before we get into more specifics about data management and the others. Give us a little bit of a history. When did the issue first come to light and what has been done about it in the last X number of years? I'm guessing it has probably been four or five years since this first came. Can you just walk us through that?

Ms. Shanna Weir: There was a transition. At the onset, when aboriginal health access centres were established, we were established under the Aboriginal Healing and Wellness Strategy, and that's where our funding was initially flowed through. Over time, we have gradually increased. We have a variety of different programs. Most of us across the province have programs that are funded through different sections of the Ministry of Health and Long-Term Care or different ministries within the government itself, so we have separate funding agreements for all of those different programs that we offer.

We had a transition to the Ministry of Health and Long-Term Care probably about four or five years ago. Obviously, this is something that has come to your attention, I think at this table and at various different tables at the ministry level with the Ministry of Health and Long-Term Care. However, our core budget has continued to be for equity for the aboriginal health access centres. Over a period of time, there have been some minor adjustments, I guess, to an extent.

The Ministry of Health did agree to having an enveloped funding mechanism within our budgets for physician compensation. I believe all of the AHACs are at that same level of having two FTEs; it's a salaried model. Two FTEs for physicians are in enveloped funding for all of the AHACs.

As well, we did receive some additional enveloped funding for nurse practitioners out of the 9,000 nurses, which we really appreciate. Nurse practitioners are really key for us in this area.

The recruitment of physicians is incredibly difficult in the north. I think that's one of the challenges. We've continued to push that, and while we greatly appreciate those increases—and they certainly did assist many of our centres in being able to continue to employ and recruit additional health providers to our centres to provide the services that we do—there's still the operational piece as well that is difficult.

Because that is enveloped funding, it's very limited in how we are able to use that funding. One of the things, I think, to highlight as a northern challenge for us is recruitment and retention and just being competitive in the market of trying to recruit physicians to the area. Without having flexibility, I guess, in that enveloped funding, it can be very difficult because that's not funding we can retain if it's not used for that specific purpose.

Mr. Victor Fedeli: It was about four or so years ago that you transferred over to the ministry of long-term health?

Ms. Shanna Weir: Health and Long-Term Care, yes.

Mr. Victor Fedeli: Health and Long-Term Care, yes. Did they acknowledge the underfunding issue?

Ms. Shanna Weir: They have. Initially, when we were transferred, we were transferred to the negotiations branch. It has only been in this fiscal year that we were actually transferred to the primary care unit within the ministry. I think initially some of the challenges under the negotiations branch were that they may not have necessarily understood what it was that we did. I think there were a lot of challenges there for them to understand that. They did recognize it.

There were, I guess, some promises that they were going to look at the equity issue and really try to see if there were ways that we could move some things forward. There was actually supposed to be a complete look at everybody's global budgets and really a complete review of the AHAC budgets, but that hasn't happened yet.

Mr. Victor Fedeli: So it's about \$800,000 a year that you're looking for to make parity here?

Ms. Shanna Weir: Yes.

Mr. Travis Boissoneau: And that's in addition to the base budgets. On top of that, we're looking to invest in our information management and participate in some of the IMS initiatives that the CHC is a part of as well.

Mr. Victor Fedeli: What are you doing for doctor recruitment, specifically?

Ms. Shanna Weir: For my centre in particular—at this point, we have a huge doctor shortage in the area of Fort Frances, in our Rainy River district. That's across the board, not just the aboriginal health access centre—across the board for our other primary care centres across this district.

In terms of recruitment, we have advertisements out. We promote the organization wherever we can.

We are involved with the Northern Ontario School of Medicine; we have a partnership with them and take medical students for their first-year placement. We actually house them within one of our communities and provide them with that cultural experience that's required as part of that first year, in hopes that they will really grow to learn more about the area and hopefully want to come back. Because our one physician we do have who works for us at our centre is also employed through the Fort Frances clinic, he also has the opportunity to have third-year residency students. He will bring them out to our centre as well, so they do get that exposure.

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Other than that, we don't have additional dollars within our operating budgets. We can't afford to do a large recruitment campaign. We don't have anything to provide in terms of incentive opportunities. We aren't eligible for the northern physician recruitment and retention initiative, where it offers the opportunity for physicians to sign on and to receive additional payments.

Mr. Victor Fedeli: How come you're not eligible for that? I'm just curious on that.

Ms. Shanna Weir: We wouldn't be eligible for it unless we ensured that our physicians provided emergency rotation, which is through the hospital, and we really don't have, you know—

Mr. Victor Fedeli: The availability for that.

Ms. Shanna Weir: Exactly.

Mr. Victor Fedeli: In our community, we've lost a couple of doctors, one through the death of a classmate of mine, actually, over the holidays, and just before that was a retirement. We have 12,000 people in my riding who are without a doctor today. That's why I was looking for some tips from you.

Ms. Shanna Weir: Maybe if we had some additional funding. I know there's a lot of opportunity in terms of doing the recruitment, and I think that—I'm not sure how many of you are familiar with the area, but for those of us who live in northern Ontario, I think we all can say that this is a beautiful place to live and we really would encourage people to come and live here. There's so much to enjoy about it.

I think there are certainly the opportunities there. It's just that there are huge amounts of things that we have to compete with. As a smaller centre, we have to address issues of housing and where we house students if they're interested in coming. We really have to juggle things and really make some accommodations because there are just not the additional resources to support us to be able to do the travel, to do the recruitment tour, to go across the province—or across the country, for that matter—to the different events that are being held all the time for recruitment. We just don't have the funding to be able to send somebody or to hire somebody who has that expertise and capacity to do that.

Mr. Victor Fedeli: My time, Chair?

The Chair (Ms. Soo Wong): Three more minutes.

Mr. Victor Fedeli: Beautiful. I wanted to ask Travis to talk a little bit about the data support. You were talking about the challenges in terms of equipment. If you don't mind expanding on that, I'd like to go in that direction for a moment.

Mr. Travis Boissoneau: Sure.

Mr. Victor Fedeli: What do you need and what will it do?

Mr. Travis Boissoneau: Initially, we need someone to help us with our IT, and that's just one aspect. The other aspect is also a data management coordinator. These are people who can help us with our infrastructure and people who could help us data mine within the information that we have within our clinics.

When I first started at Mushkiki, the first question I had was, "What kind of numbers are we at, where have we been in the past couple of years and how are we growing?" That can't be answered because—

Mr. Victor Fedeli: Because you don't manage the data.

Mr. Travis Boissoneau: Yes.

Mr. Victor Fedeli: That's interesting.

Mr. Travis Boissoneau: So that's only one aspect of it. The other aspect is that we also pay membership fees to be a part of—what is that other—

Ms. Shanna Weir: Nightingale OnDemand.

Mr. Travis Boissoneau: Nightingale OnDemand. In addition to that, the CHCs are part of BIRT. Are you familiar with BIRT?

Mr. Victor Fedeli: Yes.

Mr. Travis Boissoneau: Essentially, the AHACs are not, and what we're looking for are the resources to participate in that as well. But overall, just in my experience directly, we're lacking infrastructure and the ability to data mine our information and to utilize our information.

On top of that, I want to be able to utilize our information to assist in other political strategies or health strategies from organizations that we're accountable to. The Nishnawbe Aski Nation, for instance, is an organization that we're accountable to. I've recently approached them to see how the work we do can assist their health strategies in regard to the urban aboriginal population. There will be obviously a lot of value to improving our systems and improving the way we manage our information.

Mr. Victor Fedeli: Is there an opportunity to give us an analysis of the overall health and welfare of your own individual people?

Ms. Shanna Weir: I think it would be very difficult to do that with what we have right now. I think that our systems that we've been using—most of the AHACs have now been on Nightingale for about a year, so we may be able to pull some data. But actually having that quality improvement or that measurable type of data that you're probably wondering about in terms of if we have made differences in terms of health status and that sort of thing—I think we can measure some of it within some of our particular programs, but a lot of it is really more just quantity-based in terms of how many clients we are seeing. In terms of actual measurable things, it's going to take us some time.

The Chair (Ms. Soo Wong): Okay. Thank you very much for both of your presentations.

Ms. Shanna Weir: Thank you.

ORCHESTRAS CANADA

The Chair (Ms. Soo Wong): Our next witness is Orchestras Canada: Shannon Whidden. Welcome. You have 10 minutes for your presentation. This round of questions will be from Ms. Fife and the NDP. Can you identify yourselves, both of you, for Hansard's purposes, please? Thank you.

Mr. Shannon Whidden: Certainly. My name is Shannon Whidden. I'm the executive director of the Thunder Bay Symphony Orchestra.

Ms. Liz Poulin: Liz Poulin. I'm the past president of the Thunder Bay Symphony Orchestra.

Mr. Shannon Whidden: Thank you for taking the time this morning to meet with us in what I know is a

busy schedule. We're pleased to have the opportunity to speak with you.

The Thunder Bay Symphony Orchestra is the only fully professional orchestra between Winnipeg and Toronto. As such, we serve an extremely large and geographically diverse area of Ontario. As part of a comprehensive season, we deliver artistically outstanding main-stage, educational and touring programs to residents and students in the community of Thunder Bay, as well as in smaller communities in northwestern Ontario, particularly along Highways 11 and 17.

Despite being in a remote geographic location, or perhaps because of it, the TBSO is known for producing outstanding concerts featuring world-renowned Ontario, Canadian and international artists. In addition, we continue award-winning education programs, designed in consultation with our school boards to tie in to their required curriculum.

Not-for-profit arts organizations in general, and orchestras specifically, rely on provincial funding. Generally, an organization's revenue is made up of earned revenue derived from ticket sales—usually about 25% to 30%—and government funding from provincial, municipal and federal funding programs; that's usually about 33%, at least in the orchestra's case. The remainder is secured through fundraising revenue, which is usually comprised of individual donations, foundation grants and corporate sponsorship.

As the committee considers the budget for the upcoming year, we wanted to highlight the importance of Ontario public funding in the arts, particularly in light of the government's commitment to eliminating the deficit by 2017-18. With this financial goal in mind, we are not here to advocate for significant increases to public funding for the performing arts. Rather, we hope to make a strong case for growth commensurate with growth in the economy of the province of Ontario.

Ontario has invested significantly in cultural jobs, and has seen a substantial return on that investment. In 2010, there were more than 280,000 jobs in the culture sector, which is part of a \$22-billion contribution that cultural products as a whole make to the province's annual economy—roughly 37% of its GDP.

Arts organizations are, by and large, models of efficiency and effectiveness. Whether onstage or behind the scenes in an administrative capacity, the passion for the art that every member of an organization possesses ensures that these institutions do more with fewer dollars than is possible in many industries.

In turn, arts organizations, and orchestras in particular, are economic drivers in their community. By way of example, the Thunder Bay Symphony Orchestra provides employment for 30 musicians, as well as five full-time and four part-time staff members. These musicians and administrators make their homes in Thunder Bay and contribute to the local economy in a myriad of ways. In the case of the TBSO, we have an annual payroll of over \$1 million. This does not include fees to our guest artists,

but only income which remains in the Thunder Bay community, which in turn generates significant tax revenues.

In addition to the work that our musicians do onstage, they also make significant contributions to the community. Many of our musicians are on faculty at Lakehead University or provide private lessons within the community. Creating a vibrant cultural community which builds on the talents and skills of outstanding Canadian artists and focuses on ensuring that those skills are transferred to the next generation helps to establish a cultural identity and ensures that Ontario is firmly placed on both the national and international stage. This focus on skill-building and excellence establishes a dynamic and supportive business environment, helping to ensure a healthy and sustainable economic culture throughout Ontario.

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The funding that the TBSO receives from the province of Ontario enables us to continue to create artistically excellent performances throughout northern Ontario. Annual touring into small communities provides access to professional orchestral music and ensures that these communities have the same opportunity to participate in the performing arts that 73% of Ontarians over the age of 15 have.

When touring, the TBSO focuses on presenting a significant and robust education component. Small ensemble performances introduce primary students to classical music in an intimate setting, and master classes provide advanced students with intense skill-building experience.

We are here today to recommend sustained support of the performing arts and ultimately the laying of the foundation to ensure continued growth in tandem with the growth of Ontario's economy. With the support that the province of Ontario provides to the arts, we can sustain the momentum we have established in creating investment in business and in the skills and talents of Ontarians.

I'd like to ask Liz now to add her perspective, but before I do that, I'd also like to thank the committee for their time and their consideration in this.

Ms. Liz Poulin: Thank you very much. It is a pleasure that you have come to northern Ontario and to Fort Frances particularly. We have visited here as an orchestra, and we appreciate all the support that we get in this community and many of the other communities in northern Ontario.

I want to emphasize the fact that we are, in fact, a small business—a performing arts small business, but we are a small business. It is incumbent on us to run our organization in such a way that we may remain sustainable and that we are able to continue the work that we do in this extremely large geographical area.

We operate on a very skeleton staff administratively. We are short—and I can say this from a board position—by a minimum of two people that we are missing in our complement on the administrative side of things.

A great deal of our finances and our money goes right to the work of the orchestra—the 30 musicians that we have on stage, all highly professionally trained. They

operate in the community and across the north whenever we get the chance to do our touring.

Our educational programs, as Shannon has said, are vital to this organization and to this area of the province. We get tremendous support.

One of the ways that we have been able to maintain the sustainability of the orchestra is that we have a highly dedicated and committed volunteer group that takes on many of the functions that a larger organization with a better financed administrative side would be doing. In our case, volunteers pick up the pieces many of the times. We do considerable fundraising for the organization outside of what Shannon has mentioned, in terms of ticket sales and all of the functions that the administrative group does.

We have been in operation for over 50 years. We have met payroll almost every two weeks of that period during the season. We are very proud of that fact.

We have been sustainable, and it takes every effort that we can all put together to maintain that function. But we see ourselves very much as a small business, and we intend to continue.

Thank you for the support from the province that we have received in the past.

The Chair (Ms. Soo Wong): Thank you very much for your presentation. Ms. Fife, you have six minutes.

Ms. Catherine Fife: Thank you very much, Shannon and Liz. I think it's really interesting that you have come here today, in recognizing the fiscal situation of the province and putting forward a proposal that you would tie, I guess, for some sort of certainty or consistency in funding, your economic future, as a small business, to that of the balancing of the budget. Have you made similar presentations in the past? Because this is the first time that I've ever actually heard a not-for-profit arts group come and make that request.

Mr. Shannon Whidden: No, this is actually the first time we've made this presentation. There was a lot of thought that went into the best approach, particularly in terms of how we sync our own budgeting process to that of the province. That's why we decided to take this approach.

Ms. Catherine Fife: That's excellent. So this sort of process—did this go through your board of directors as well? Is that how you—

Ms. Liz Poulin: Yes, it did.

Mr. Shannon Whidden: Yes, absolutely.

Ms. Catherine Fife: So being a small business—I mean, obviously the economic viability and success of the northern region, northern Ontario, is tied to your success as well. Did you want to make any comments about the economy? Because it obviously affects ticket sales and involvement in the Thunder Bay orchestra.

Mr. Shannon Whidden: It absolutely does. We're very fortunate, within Thunder Bay in particular, to have an incredibly supportive community. Over the last three years we've seen significant increases in our attendance, and so we feel that from the earned revenue side of things we're making great progress. We've really spent a sig-

nificant amount of resource to identify what our community is looking for in terms of performances, how we can engage with them in ensuring that we have a very consistent relationship with our audiences. That, in turn, allows us to build a long-standing relationship with each of those individuals, which, in turn, allows us to see anywhere from 20% to 30% growth in our audiences over the last three years. We've been very proud of that fact.

In terms of maintaining the programming that we have, that tends to fall more on the shoulders of either the government funding that we receive or the specific corporate sponsorship or individual giving. That's generally where we are focusing our efforts at this point, to ensure that we're able to continue to deliver the same level of outstanding work that we have been in the last 50 years.

Ms. Catherine Fife: Okay. I guess you are aware, though, that on page 244 of last year's budget, every ministry except for five was targeted for 6% reductions. The government is looking to find efficiencies and savings in all of those ministries. Essentially, you're asking for stable funding, then, today.

Mr. Shannon Whidden: Correct.

Ms. Catherine Fife: You're asking not to be cut.

Mr. Shannon Whidden: Correct.

Ms. Catherine Fife: Thank you. I just wanted to get it on the record. Thank you very much for coming today.

The Chair (Ms. Soo Wong): Thank you very much, both of you.

TOWN OF FORT FRANCES

The Chair (Ms. Soo Wong): Our next witness is the town of Fort Frances. Good morning.

Mr. Mark McCaig: Good morning.

The Chair (Ms. Soo Wong): Welcome. Can you identify yourself for Hansard? You have 10 minutes for your presentation. This round of questions will be from the government side.

Mr. Mark McCaig: Okay. My name is Mark McCaig. I'm the CAO for the town of Fort Frances. Roy Avis was scheduled to be here but he was unable to; he's taking a well-deserved vacation. I've been with the town of Fort Frances for 39 years, in various capacities. I'm a lifelong resident.

Mayor Avis wanted me to make sure that I recognized and thanked the government on a few levels. He wanted me to make sure I thanked the Ministry of Finance for assisting us recently in a tax agreement with Resolute Forest Products. He also wanted me to thank Minister Michael Gravelle and the Ministry of Northern Development and Mines for the provision of heritage funding for our Rainy River "market square" product. And he wanted to recognize and thank the Ministry of Municipal Affairs for helping us during our emergency situation this past summer and committing to provide ODRAP funding.

I have a couple of issues that I'm going to address from a municipal perspective. I'm not asking for a specific dollar amount. Four of the issues I'm going to present

are concerns of municipalities across the province. But the main issue, and it would be no surprise to you that I'm going to speak about it, is a concern of many; I know that Chief Sara has already spoken to it to a certain degree today. It is regarding the management of the forests and it's regarding the closure of the Resolute paper mill.

I'd expect that most of the members of the committee are aware of the most significant issue that the town of Fort Frances and the surrounding area have faced over the past few years, and that's the closure of the Fort Frances pulp and paper mill.

During 2014, we were actively consulting with Resolute on a prospective purchase of the mill. We were excited to learn that Expera, a dynamic US-based company and a producer of numerous specialty paper products, was actively pursuing a purchase of the pulp mill. As a corporation, we availed ourselves to that process to support it in any way. The restart of this facility is crucial to our community, and we were devastated and deeply concerned to learn that those talks had broken down. The implication of this breakdown is that 1,000 jobs are gone—direct, indirect, induced. That has repercussions for our area, that has repercussions for the province, and a \$100-million investment in Ontario is gone. This needs to grab everybody's attention.

Members of this committee are also aware that the communities of the Rainy River district—the municipalities and the First Nations—were, and are, not prepared to let this happen. With the full support of all the area First Nations and municipalities, we formed an advocacy group called Our Forest, Our Future and began our campaign by chartering a jet at great expense and appearing at Queen's Park. Since that event, there has been a barrage of news stories that have documented our plight. There has been a tremendous amount of social media communications that the government has received. We fully intend on continuing this campaign.

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Now, the good news for everybody here is that there's a solution to this problem. We need intervention by the government, though. There are still parties who think that this is a good mill. They think it has value. They think they can make money here.

So, what needs to happen? We believe that the reason the talks broke down is because Expera was unable to acquire reasonably priced fibre from the Crossroute Forest, which is the forest right next to here. Resolute will say, and they have said, that there was an offer of fibre. That's true, but it wasn't enough to run the kraft mill. It was about three quarters of what the needs are. That being said, another question posed to Resolute at the time was, "Where is this fibre coming from, and is it the low-cost fibre from our adjacent forest?" That question was never answered for us.

When you send fibre to a sawmill—we have no problem whatsoever at Atikokan. This can be a win for everybody. There's more than enough wood in the Crossroute for everybody. Some 50% of that fibre goes to a pulp

mill. Was that offered in this scenario, with this potential purchase—we don't know—or was the intent to take it and bring it to Thunder Bay?

We've heard from the government that they're not going to get involved in a "business-to-business transaction." In this instance, with Resolute, you're talking about a corporation that makes their product from a crown resource, owned by the province. We need the Minister of Natural Resources to confirm that the historic wood commitments to the Fort Frances pulp mill will be made available through a supply agreement to a purchaser of the pulp mill.

We urge the government to inform Resolute that the wood supply from the Crossroute and Sapawe Forests is being reserved pending a decision on the Fort Frances pulp mill. The control and availability of an economically viable crown wood supply should not be an impediment to the sale of the mill. There has always been, and should continue to be, an allocation of wood for the mill in Fort Frances.

When the mill is not operating, our community feels the effects; they are social and economic. In some cases, families have to leave the community to find work, or mom and dad have to work out of town. Property values decrease. The loss of assessment puts pressure on the municipal corporation's ability to maintain current service levels. Reductions or loss of these services are an impediment to attracting business and can cause doctor shortages, like presenter Shanna Weir talked about. We have the same issues. In 2012, taxes from the paper mill constituted 20% of our tax revenue. Without a mill, we lose more tax revenue when additional vacancies occur in the commercial sector.

As a town, we want to carry our own. We want to be financially independent. We are continually working toward a redefinition of our community and investing in economic development. We want to remain economically self-sufficient and not become a social drain on the province.

Please take the important step of ensuring that a conditional wood supply agreement for any potential purchaser of the mill is put into place. We support an eSFL, but that doesn't solve the problem right now. We need the conditional wood supply put into place for any purchaser.

The second item I want to talk to you about is re-establishment of the Connecting Link Program. The termination of this Connecting Link Program was a significant blow to our town's ability to maintain the vital local link to the provincial highway network to an adequate and acceptable, safe standard. In Fort Frances, we're a gateway community to the United States, and our link to the provincial network is under constant stress due to the heavy traffic in and out of this port of entry.

A large part of the northern economy benefits from and requires passage through the Fort Frances link. Mining and forestry entities utilize our roads to transport their goods to market. Although we're on a smaller scale, we're kind of like Windsor: We're a major point of entry

to the United States from northwestern Ontario. Currently, Fort Frances is expected to carry the full financial burden of keeping this vital roadway to an acceptable and safe standard. Previously we used to get 90% funding for connecting-link maintenance.

I'll give you an example of the stress and the pressure. Wood harvested east of Fort Frances is transported through our town to the Ainsworth mill in Barwick and the sawmill on Rainy River First Nations. After this wood is processed, it's transported once again through our community and across the border. From the north, our roads are travelled by trucks hauling products from Dryden, granite mined in Vermillion Bay, and lumber produced in Ignace. In the near future, there will be traffic related to sawmills in Kenora and Atikokan. It doesn't seem reasonable that our community of 8,000 people is expected to carry the full burden when so many other communities are benefiting from travel through Fort Frances. The highway goes through a lot of small communities. There's roadwork that's done, and I don't believe those communities are paying for that when it goes through. We're asking for a reconsideration of that.

You may also be aware of the Power Dam Special Payment Program. When you presented the 2014 provincial budget, there was a proposed reduction for municipalities receiving revenue through the Power Dam Special Payment Program. Since that announcement, there has been a reprieve for 2015 while the government consults with affected municipalities to find a solution to make this more manageable.

One option that's up for consideration is the re-introduction of property taxation for power dams which previously existed. As a municipality with a power dam within its boundaries, we urge you to give this option serious consideration. We believe that reintroducing taxation for these generation assets, in concert with a reduction to the Power Dam Special Payment Program, could be a revenue-neutral scenario for the province.

It's important to remember that prior to the implementation of the special payment program, power dams were assessed and taxable. The program that replaced the municipality's ability to tax these properties never consistently kept pace with inflation or the property tax rates in the communities. A reduction in funding will only create an additional shift to the existing tax base. For Fort Frances, that means 90,000 bucks. That means a 1% residential tax increase.

Costs of recycling: The government had provincial policy that envisioned a sharing of costs between municipalities and the stewards, which are first brand producers or manufacturers of goods. It was envisioned that this would be a 50% sharing scenario. For Fort Frances and other municipalities, this has not been the experience. Every year, we're supposed to submit a data call for our recycling costs. It's scored, and through that scoring, we know how much funding we are going to get. In 2013, the total cost for our recycling program was \$199,936.02. The funding we received was \$72,879.32, which is only 36.45% of the cost. We are asking the provincial govern-

ment to ensure that Fort Frances and other northern municipalities are funded to the pre-stated goal of 50% for recycling.

The last item I want to talk to you about is the future of the Ontario Municipal Partnership Fund. Currently, we're being impacted by the graduated reduction over the 2012 to 2016 time period. You'll recall, maybe, that in 1998, local services realignment included the down-loading of responsibilities to municipalities. Some things were uploaded; some things were downloaded.

The funding program that was put in place at that time was called the Community Reinvestment Fund, or CRF, as it was more commonly known. The commitment from the government was that the local service realignment process would be a revenue-neutral scenario for municipalities. It has been well documented and even reported by provincial auditors that this has not been the case or the experience. Since the inception of local services realignment, municipalities have struggled to meet the increasing demands of infrastructure investment and program delivery.

We're here to tell you today that property tax and other user fees cannot continue to carry the full burden. Property tax does not wear a red cape; it cannot continue to do everything. We urge you to examine and appreciate our fiscal challenges and refrain from contemplating any further reductions to the OMPF program. In our community, we have an aging population that relies on the provision of affordable basic services. Please do not put additional burdens on our scarce resources by reducing a commitment, essentially a promise, made when services were realigned. Thanks.

The Chair (Ms. Soo Wong): You've got five minutes on this side. Who's going to start from the government side? Ms. Albanese.

Mrs. Laura Albanese: First of all, thank you for hosting us here in Fort Frances. We're delighted to be here and delighted to speak to the town of Fort Frances.

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I have met with you also at the AMO conference. We did speak about the mill reassessment issue at the time. I hope that the Minister of Finance was helpful in that regard.

Mr. Mark McCaig: The minister and staff were very engaged and helpful. They're working with a number of other municipalities that have a similar type of situation.

Mrs. Laura Albanese: I wanted you to also elaborate a little bit—and then I'm going to pass it on to my colleagues—on the OMPF, which you just mentioned and which we discussed also at the AMO conference in my capacity as parliamentary assistant to the Minister of Finance. My understanding is that for 2015 the level of support for the town of Fort Frances has been enhanced to 97.2% of its 2014 allocation, and that this funding includes a significant amount of transitional assistance to help Fort Frances and other northern municipalities. I guess my question is, are you satisfied with that? What is the issue? Uncertainty for the future?

Mr. Mark McCaig: Well, you know what? Specifically, you're correct. It does not have as great of an impact for Fort Frances this year as others. But globally, when I'm looking at where it's trending, I'm concerned about the future, and that's the ask here for today: Please don't contemplate any more. Because you know what? When things were downloaded back at that time, I remembered a great hue and cry from the municipalities: "Oh, oh, what are you doing to us? Why do we have to do this? Why did we do this?" You get used to that, then you go to the next step and years pass; people forget about that pain and then it's like, "Let's reduce some funding some more." In consideration of that, I'm just kind of going back in history and reminding about the commitment and the process. When it takes that tack and it continues along that way, it's like getting pecked to death by ducks. I'm just asking for an eye to the future, that you consider that property tax is asked to do a lot of things that it wasn't previously.

Mrs. Laura Albanese: And there is no question about that. I am going to pass it over to my colleague, but I wanted to make sure that it is understood that right now, what you're receiving for the OMPF is about eight times the provincial average.

Mr. Mark McCaig: I can't speak specifically to the stats right now, but I know that it isn't—

The Chair (Ms. Soo Wong): There are two more minutes for this round of questions. Ms. Vernile.

Ms. Daiene Vernile: Mark, thank you so much for coming in. I had a walk early this morning, when it was dark, with one of my colleagues. I made the comment that I want to come back when it's summertime and a little lighter. It's beautiful here.

I want to go back to some comments that you made at the very start of your presentation, where you talked about the heritage funding, the disaster relief funding that you received for this past summer from the municipality ministry; and also, you commented on the mill reassessment. My question to you is, did you find the Ministry of Finance helpful to your community in resolving the mill reassessment issue?

Mr. Mark McCaig: Yes. There were people—I'm thinking of the Allan Dohenys and certainly the Steven Del Ducas. They were very engaged and they were helpful. It took some time. I mean, it's a pretty delicate process. But in the end, we were satisfied with the agreement that was struck and we didn't have to go through the painful process of those ARB hearings, where there were some pretty not favourable results for municipalities. So yes, we were happy with the ministry.

What was your other question?

Ms. Daiene Vernile: I just wanted you to comment on some of the assistance that your community has received.

Mr. Mark McCaig: In regards to the Northern Ontario Heritage Fund, we've always considered Minister Michael Gravelle a friend. He's reached out to our community. When the permanent closure announcement was made by Resolute, we did hear from Minister Gravelle and asked about some issues that maybe we

could explore for some assistance for Fort Frances. That project was helpful. I mean, you're talking about a hotel that's situated in the middle of the town. It's in a degraded condition and it's a source of public concern. Some assistance was provided to enrich the property and do something good there.

Ms. Daiene Vernile: Thank you.

The Chair (Ms. Soo Wong): I heard there's a last question from Mr. Baker.

Mr. Yvan Baker: One of the issues you raised earlier was around the mill and access to wood supply—

Mr. Mark McCaig: Right.

Mr. Yvan Baker: —and that there had been parties interested in operating the mill, but they couldn't get access to wood supply, I think you had mentioned. Is the wood supply issue the only issue that's preventing the mill from operating?

Mr. Mark McCaig: We believe it's the primary issue, yes.

Mr. Yvan Baker: Are there other issues, though? Can you talk about what those are?

Mr. Mark McCaig: You know what? I don't really believe there are other issues. I have heard over the years, certainly from Resolute officials, that the mill was somewhat lacking in some regard. From some of the potential purchasers, I've heard quite the opposite, that even beyond the kraft mill, they were desirous of some of the other facilities.

The Chair (Ms. Soo Wong): Okay. Thank you very much for your presentation. We welcome all your comments and your written submission.

Mr. Mark McCaig: Thanks.

RAINY RIVER DISTRICT SOCIAL SERVICES ADMINISTRATION BOARD

The Chair (Ms. Soo Wong): Our next witness is the Rainy River District Social Services Administration Board: Dan McCormick and Sandra Weir. Welcome. Can you identify yourselves for Hansard? You have 10 minutes for your presentation, and five minutes for questions, this time from the official opposition party. You may begin at any time. Thank you.

Mr. Dan McCormick: My name is Dan McCormick, and I am the CEO of the Rainy River District Social Services Administration Board. I have with me Sandra Weir. She is our integrated services manager, and she is the lead on social housing. Today, although the DSSAB does deal with four major programs—Ontario Works, child care, land ambulance and social housing—we are focusing on social housing.

So what I want to tell you is, small communities and the district of Rainy River are struggling with its social housing program. The ministry took upon itself—they changed the legislation in 2011 and created the Housing Services Act. That was a very good move, to create the act and prepare for a review, basically, and a creation of 10-year housing and homelessness plans.

We did do the housing and homelessness plan, and we have got some very interesting results that we found that—

Interjections.

The Chair (Ms. Soo Wong): Excuse me. Ms. Albanese, and Chief, can you take your conversation outside, because we have witnesses here and we can't hear? Thank you.

Sorry.

Mr. Dan McCormick: No problem. Thank you very much.

So we did create a 10-year housing and homelessness plan, and it did support what we thought already existed.

Some of the major concerns we have are gaps in needs within our district. The main gap is our funding sources. Our funding, primarily on the housing side, comes from our municipalities. As you are aware, funding from the ministry, although it continues to flow for housing, was basically capped in 2002. This has put a tremendous burden on our local municipalities as they now have to pick up all the economic increases within the program to maintain our housing stock.

The other thing that we are really struggling with is our capital improvement. We have older housing stock. It was basically built as early as 1967, and the last unit was built in 1970. So we're hitting a point where we're looking at capital replacements, and there are no capital funds available. The DSSAB struggles with its annual budget every year to try to put a little bit of money away for capital, but we are doing a patch job. We are only fixing the emergent issues, and we are not looking at the long-term effects.

Within our key findings of our review, we do know our population is getting older, and we are higher than the provincial norm. We are looking at people under 60 declining very steadily, and our population is also decreasing.

We also know that there's a strong demand for assisted living. We have seen some movement on that, and we appreciate the ministry and the province's movement on assisted living in the district.

We also have a lot of low-income earners within our district. About 30.7% of our renters are paying a third of their monthly income on housing, which is very substantial. In comparison, across the province, you see about 9.2% of your income going on housing.

Our housing stock, again, doesn't match the needs of our residents. It was built in an age where there were different demands and different needs, and it's not matching anymore.

We also have relatively few rentals, apartments and rental units across the district, so again, it makes it very difficult for people to get rental accommodations within a fee that they can afford.

1050

Another huge area that we've noted is that our homeless youths are underserved. We have no facilities in our district to look at homelessness in the youth population. We're working to restructure and we're trying to

work on a housing first and rapid re-housing for our homeless people, but it's hard to do without the capital for the units.

We have identified seven strategic targets. The first is to increase our system access and prioritization. The second is to maximize existing housing stock. To close gaps through new development is third. To meet current and future needs of seniors and others with accessibility issues is fourth. Our fifth target is to do more advocacy and education. Our sixth target is to meet the needs of aboriginal people living off reserves, and our seventh target is to meet the needs of victims of domestic violence. I can just speak to each of these targets a little bit.

The first target, improving system access and prioritization: We are gathering a lot more data. We are sharing with partners. We've created a lot of partnerships within the district, and that's been partnerships across all continuums, so the provincial government agencies and our local service providers. There's a lot more coordination because everybody is trying to do more with their dollar.

We have done some changes in our existing housing stock. Again, with some funding that was provided, we did a major retrofit in an older building in Rainy River, and that retrofit actually took our vacancies down from about 25% to zero, and we now have a waiting list. That involved restructuring three apartments into two, making them more handicapped accessible, and we've also put in supported housing initiatives in that building.

The redevelopment: We don't have any emergency shelter options for youth—under target number 3—so we're trying to champion that program and see where we can get it. But, again, the hang-up is our capital funding.

As we move forward with seniors, there has been a lot of talk across the district on seniors and the increasing number of seniors and accessibility. One other major issue within our district is transportation. We've seen the loss of our bus services across the district. We have limited cab services in the district, so even getting to something as simple as medical appointments or child care needs are not being met, simply because of the travel distances—a very different perspective from what happens in, say, Toronto, where a lot of dollars are going into restructuring of their transportation needs.

The other thing we're trying to do is advocate for more public education and communication, and this is one forum that we're trying to work through. But we also do presentations across the district, wherever we can.

On the needs for aboriginal people, we're trying to build some more partnerships to ensure that aboriginal peoples have the same opportunities for housing as anybody else offers.

On domestic violence, again, we have a district problem here. Our domestic shelter is located in one community on the very edge of our district, which again makes it very difficult for people to access, because if they have jobs or family commitments, they can't move. Across our district it's about four and a half hours driving time, so it's a huge district. We're about 15,000 square kilometres with 20,000 people. Our population density

runs around 1.4; the average in the province is about 14.2. It makes all programs across the district very difficult to deliver.

As we move forward, we are looking to try to maintain our buildings, and the difficulty, of course, with our board is coming back to the municipal table, looking for that funding at 100% dollars from them, with no matching dollars from the province. Basically, that's where we're at. Our buildings are aging; they're not in the right location; we don't have the funding to maintain or to renovate them to something that would work, and we're seeking assistance in that manner.

The Chair (Ms. Soo Wong): Thank you very much. This round of questions goes to Mr. McNaughton. You have six minutes.

Mr. Monte McNaughton: Great. Thank you very much for presenting here today. I'm just curious. Do you have an actual specific ask as far as dollar amount?

Mr. Dan McCormick: Right now, we're supposed to be putting about \$460,000 into reserves to maintain our capital assets. That came out of our building condition audits, which were done on all our properties several years ago. Just to give you an indication, our board has managed annually to put less than \$20,000 to \$40,000 a year into that reserve, so we're basically just barely matching the dollars. You can see that bubble is moving just like our age bubble moves; that cost is moving and increasing. The other issue is just simply, again, the location and what's going on.

The other factor in our budget is also the economic increases. As you know, electricity and natural gas have all increased throughout the years, even the cost of travel to go between our buildings; none of those economic increases have been funded through the province.

Mr. Monte McNaughton: Right. Just a couple of questions on the population trend: You said the number of people under 60 has declined over the last 10 years. What are the youth numbers like?

Mr. Dan McCormick: I don't have that right now but I can provide that. It is in our detailed housing and homelessness plan, and we'd be happy to provide the committee with a copy of that as well.

Mr. Monte McNaughton: Do you know off the top of your head the youth unemployment rate?

Mr. Dan McCormick: No, I do not; sorry. It is in our demographics of our housing and homelessness plan, though.

Mr. Monte McNaughton: Okay.

Mr. Dan McCormick: We are seeing a huge increase. I think we're looking at 34% over 60 in the next 10 years.

Mr. Monte McNaughton: The reason why I ask is because the provincial average for youth unemployment is somewhere, I think, around 17% or 18%, and I was just curious where we are here.

Mr. Dan McCormick: Sorry, I can't answer.

Mr. Monte McNaughton: No, that's great.

The Chair (Ms. Soo Wong): Mr. Fedeli? You have three minutes.

Mr. Victor Fedeli: Sorry, there's something really sensitive in this microphone. I apologize again.

Full disclosure: As a former mayor of the city of North Bay, I sat on our DSSAB, so I can sympathize with—

Mr. Dan McCormick: Congratulations.

Mr. Victor Fedeli: Or sympathies, perhaps, might have been better. It was a wonderful board to sit on and we did some really spectacular things with respect to the AHP, the affordable housing program.

Can you tell me what the status of the affordable housing program is today and your role in it?

Mr. Dan McCormick: Can you speak to that?

Ms. Sandra Weir: Is that the IAH? That program has been refunded for the district. We just got notice in mid-December that the Rainy River district will be receiving roughly around \$1 million over the five-year course. That \$1 million is divided into yearly increments.

At this time, the DSSAB hasn't decided where that funding will exactly go. That will be brought forward to the board in February so they are able to address where they need to distribute and how that needs to be distributed.

Mr. Victor Fedeli: Will you build new housing with that or will you do things like renovations or modifications to the aging facilities? What's your plan off-hand? I know it hasn't gone to your board, but what's in your head?

Mr. Dan McCormick: Primarily that money has been used to keep people in their own homes, so we've done a lot of modifications. I think we did 14—

Ms. Sandra Weir: We've done Ontario Renovates previously, for the last four years. However, saying that, we would like to do something within our own buildings if we're able to access the money that way: pool the money together to be able to do something a little bit more creative with the stock that we have, following what the plan is, our 10-year housing plan.

When you're looking at buildings that are 50 years old and yet the population is aging, you're looking at people wanting to live in their homes longer, but when you have a 50-year-old building, the accessibility isn't there. The room isn't there to be able to do that. Like Dan had previously stated, we haven't been getting capital money to be able to make the necessary changes so people can live in their homes longer. We would like to take some of the plan and maybe look at being able to do something a little bit more creative with the dollars that have been allocated.

Mr. Victor Fedeli: One of the things you talked about here—it says, "The housing stock is ... made up of single detached units." For me, I would think that was a good thing. It seems in your presentation that the fact that two thirds of your housing stock is single detached units—it appeared that that wasn't a good thing for you, and I don't understand why.

1100

Mr. Dan McCormick: It is a good thing. The problem we have is that the housing units aren't located in the communities where we need the service.

Mr. Victor Fedeli: So when you list here the key findings—"single detached houses make up two thirds"—that's not a bad thing in this case?

Mr. Dan McCormick: No, it's not a bad thing. The trouble is that a lot of those single detached housing units are in a community that doesn't have the need anymore. We've seen a lot of transference across the district of people in declining populations, more in some of the communities than others.

Mr. Victor Fedeli: I appreciate that, because I heard from DSSAB—I thought we were trying to take the two- and three-bedrooms and make them into one-bedrooms to make more one-bedrooms. I think that's where the need is now.

Ms. Sandra Weir: A lot of the stock that we do have for family units was built 40, 50 years ago, so some of them are five-bedroom, four-bedroom. Those aren't the sizes that we need. We don't see families like that anymore.

The Chair (Ms. Soo Wong): Thank you for your presentation. If there's any written submission or numbers that Mr. Fedeli and Mr. McNaughton asked for, please submit them to the Clerk by the end of next Friday. Thank you.

Mr. Dan McCormick: Thank you very much for the opportunity.

NORTHWEST COMMUNITY LEGAL CLINIC

The Chair (Ms. Soo Wong): Our next witness is from the Northwest Community Legal Clinic, Ms. Trudy McCormick. Welcome. Can you please identify yourself for Hansard? You have 10 minutes for your presentation. This round of questions will be from Ms. Fife from the NDP.

Ms. Trudy McCormick: Thank you. My name is Trudy McCormick, and I'm a lawyer and the executive director of the Northwest Community Legal Clinic. It's a legal clinic that's funded by Legal Aid Ontario. We actually serve both the Kenora and Rainy River districts, so we have quite a large catchment area for our services.

I also sit as the co-chair of the provincial legal clinics' association. I understand you'll be talking to some of my colleagues later in the week as well as the executive director of the association.

I have three topics that I'd like to touch on this morning: legal aid financial eligibility, SAMS, and affordable, sustainable housing, which will be no surprise to you after the last presentation.

As you are hopefully aware, there was an increase to legal aid financial eligibility quite recently that was for community legal clinics as well as for Legal Aid Ontario service providers and certificates. I want to pass on the message that the members of the clinics' association and all our staff and board are very appreciative of the initial investment in the legal aid system and see it as a very badly needed change, to increase that financial eligibility.

The first increase took place in November. The next one is scheduled to take place on April 1, 2015, with a further increase on April 1, 2016. The plan was actually a multi-year plan that goes beyond that. The funding that was announced last year was for the initial three years of the multi-year initiative to raise the financial eligibility to the low-income measure.

We're particularly interested and hopeful for a commitment at this stage for funding for the 2017-18 fiscal year and an indication of the direction for future fiscal years. We would also encourage government to ensure accountability in expenditure for funding, internship flexibility and the necessary funds dedicated to make sure you have access to justice.

In the two districts that our clinic serves, there are very different needs just between the communities. We're hoping that we'll be able to be a little bit flexible in how those funds are used so we can meet the different needs of different communities.

My second topic for this morning is SAMS, the Social Assistance Management System. Legal clinics deal with folks who are living on social assistance. That is probably our largest group of clients. I can tell you, from my personal experience with clients, from my experience supervising workers in our offices in Atikokan, Kenora and Fort Frances, as well as the interactions that I've had with my colleagues around the province, finding a way to support and resolve the issues that have come out of the SAMS implementation is crucial. It has resulted in challenges that have been life-altering for some recipients. There are recipients who did not receive any assistance in the changeover. There are recipients whose assistance was totally incorrectly calculated by the system.

We're now at a stage where we're finding that it's not just the basic assistance that is affected, but all the additions, the additional pieces: overpayments, special diet or payments for things like heating. We've gotten past the initial lack of cheques; people are now getting those. Now we're at the stage where people who are living in very difficult circumstances are getting automatically generated overpayment letters that have absolutely nothing to do with their actual social assistance history, and they are getting them repeatedly. It's a very traumatic experience for them.

We've also had experiences with clients here—we had one client who could not get money for their heating. That started in October. It was supposed to come in November. SAMS was implemented in November. This person was living without any money for firewood, and we had minus-45-degree temperatures for more than two weeks. Their pipes froze. We still couldn't get them any money to pay for their firewood. It was an add-on to the system; it's not the basic cheque. It was trying to do something else within the system.

The other half of my plea for SAMS has to do with the people who are working with that system, because we deal with the DSSABs, the people who make the social assistance decisions there. We deal with the Kenora and the Rainy River DSSABs, and we deal with the ODSP

office, and I have to tell you that those people who are working to try to deliver the programs are absolutely traumatized right now. They've tried, for example, to get the money processed for this person's heating. They couldn't do it. Every time they would input things into the system, we were told that they had to wait to see what the system would do overnight. There were three people in the Kenora office all trying to get this person money so that they could have heat, and they couldn't find a way to do it. The most ludicrous one was when they input it into their system again. What did it do? They came back to the office the next morning and found that the system had generated a \$10,000 overpayment. So this client was now going to get a letter telling them that, even though they haven't got money for heat, they've got a \$10,000 overpayment.

For those people who are facing those circumstances day after day—I know we appeal their decisions, but we also work with them. Right now my understanding is that they're working with old systems. They're working manually. They're doing everything they can to get the funding out to people living on social assistance, but it is critical. It's for the clients, it's for the workers, and it's for folks in community legal clinics and other community agencies who are trying to help. It's very traumatizing not to be able to help people who are in very challenging circumstances when that's your job.

My third topic is affordable housing, and the need for support for affordable housing, especially here. The cost of heating our homes is an issue in every community that we serve, whether it's a city, a rural community or a First Nation. The tipping point for us happened about five years ago. Our legal staff began noting that housing was being lost, not because of rent arrears, but because of high heating costs.

At this point, most of the arrears applications that come up before our tenant duty council at the residential tenancy board are the indirect result of high utility costs. Tenants who previously juggled paying the rent and paying for food are now juggling between feeding their families, keeping the heat on and paying their rent. Locally, our housing stock is older and less energy-efficient, while our winters are longer and colder. Utility bills are higher than the rent in some cases, and programs like LEAP are limited and often run out of funds before the end of the funding cycle.

In Kenora, the primary community issue from the legal clinic perspective is access to affordable housing. The issue has also been prioritized by the economic development commission and the community itself in its 2014 community survey.

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Within the previous decade, there has been a loss of over 100 low-end units within the city due to fire and conversion. In a community the size of Kenora, that's a significant portion of the rental market. Many groups are struggling to expand the housing options, but the lack of capital funding opportunities continues to undermine those efforts.

As for Fort Frances and Atikokan, the people from the DSSAB, who spoke ahead of me, spoke eloquently to the issue. We need affordable, sustainable housing.

Thank you.

The Chair (Ms. Soo Wong): Okay. Ms. Fife, you have six minutes.

Ms. Catherine Fife: Thank you very much, Trudy, for raising these three important issues. Obviously, the increase in legal aid was needed. Do you foresee any issues going forward, though, that will have to be updated? You've mentioned a future date, actually, where you're hoping that the funding could be extended—

Ms. Trudy McCormick: Yes. The plan is a multi-year plan that I believe takes approximately 10 years to be fully implemented for both legal aid and legal clinics. We actually reached the levels at the low-income measure at different times. Right now, there is a funding commitment for the first three years of that 10-year stretch. We're hoping for a commitment beyond that.

Ms. Catherine Fife: On the SAMS issue, I think that, if there's any consolation to you, all MPPs are hearing these same concerns across the province. That shouldn't be a consolation because, as you mentioned—and I'm really happy, actually, that you raised the issues that front-line workers are experiencing, because they alerted this government that this program was not going to work, because they know the programs best. Right?

If the government does not—I mean, they've said already that they're not going to backtrack on the program, even though it didn't work in other jurisdictions. What do you think is the best solution? Municipalities and regional governments across the province are struggling to adapt to it. This is your chance to put on the record what you think actually should happen.

Ms. Trudy McCormick: Collaboration, to me, is the key, no matter what the issue is. I think that if the government works closely with those service providers and hears what the issues are, it is going to have to make some investment in creating a platform, whether it's repairing the current platform or creating another one. It has to happen in consultation with all those service providers, and it has to happen very quickly, because right now they're doing a lot of work that is done manually. There is going to come a tipping point. They're going to have to go back and redo all this work. So the sooner that happens, the better.

Ms. Catherine Fife: Okay. And then, on the housing, affordable, sustainable housing is an issue in every riding. I'm sure that's heightened in areas where a riding is as big as France, for instance. The community start-up fund, CSUMB, was cut drastically. Can you speak to the effects that that has, and particularly on issues of domestic violence, women trying to flee violent relationships?

Ms. Trudy McCormick: The cutting of the CSUMB has had an impact. It's had an impact provincially; it's had an impact here. The funds that were earmarked that you could apply to for things that would help you set up a household quickly, help you get out of that circumstance, are not there. The funds that were left remaining, the CHPI

funds, are not as easy to access; they're not as much funds. Actually, the impact for some of our clients can be very challenging, because they can't afford then to get out of a circumstance and set up in a new one. There were times that that funding was critical.

The other time it's critical funding is if you've got an experience such as bedbugs, and you're trying to be able to re-house yourself and start over, and that funding is not available to you.

Ms. Catherine Fife: We heard from the previous speaker that housing for youth, in particular, is almost non-existent in this riding, youth who are seeking shelter. Can you address that?

Ms. Trudy McCormick: That's correct: male youth in particular, because if you're over 16, you can access, as a female, the shelter in Atikokan, but again, you've got to get an hour and a half from here to there.

Homelessness of youth is a really big challenge, and putting people up for a night or two in a motel just isn't a good solution for their life circumstances.

Ms. Catherine Fife: Okay. Finally, I just wanted to thank you for bringing forward the feedback that you're hearing with regards to the SAMS program. I think it's important for all of us to hear the same message on that and, perhaps and hopefully, take back that message to the government.

Ms. Trudy McCormick: Thank you very much for the opportunity to speak.

Ms. Catherine Fife: Thank you, Trudy.

The Chair (Ms. Soo Wong): Thank you very much.

NORTHWESTERN ONTARIO MUNICIPAL ASSOCIATION

The Chair (Ms. Soo Wong): Our next witness is the Northwestern Ontario Municipal Association. I think Mayor Ron Nelson is here, right? Am I correct?

Mr. Ron Nelson: Yes, you are correct.

The Chair (Ms. Soo Wong): All right. Mr. Mayor, can you identify yourself? You have 10 minutes for your presentation. This round of questions will be from the government side. Thank you.

Mr. Ron Nelson: Thank you very much. My name is Ron Nelson. I'm the mayor of O'Connor township and past president of the Northwestern Ontario Municipal Association.

NOMA represents 36 municipalities from Kenora to Rainy River, and the Rainy River, and as far west as Hornepayne and White River in the east, which are in the Algoma district.

What we will be addressing today are a few topics. The first one is the infrastructure to support the mining sector.

NOMA believes that northwestern Ontario needs to be supported in its bid for the development of a strong and diverse economy through the province taking the leadership in planning, developing and owning the infrastructure necessary to support the Ring of Fire development. It is also important to extend regulatory and infrastructure

support to other mining ventures that are presently under way in the northwest.

Because of the numerous discoveries and the mining companies involved, the Ring of Fire is unique in the development of Ontario. As such, we have continued to argue that it requires a more planned public approach than what has occurred in the past.

Noront Resources is the lead company in the Ring of Fire, but the project is currently at risk. Ontario can intervene as a partner, with First Nations and industry, to remove or mitigate the barriers and move this development into the production stage. There are no significant projects as mature as Noront's Eagle's Nest in the Ring of Fire.

Financial support from Ontario is essential if a road is to be constructed to serve the Ring of Fire, specifically an east-west road that is required to access the Eagle's Nest deposit from the Pickle Lake Highway extension, North Road. Four First Nations would see immediate benefit, as they would have a new mine—as well as paving the way for the development of numerous deposits distributed throughout the Ring of Fire. Transmission infrastructure should also follow the same artery. This will take the four First Nations off diesel generation and eliminate the need for Noront Resources to establish their own diesel generation facility, which in turn could add to the potential contamination through transportation of fuel to the site.

We urge the Ontario government to commit to assist the Eagle's Nest development in implementing the east-west road and transmission corridor.

On the next page, page 2, you can see a map which illustrates the activity throughout northwestern Ontario. Currently, there are 22 mines outside of the Ring of Fire that are in the planning and development stage. The manufacturing industry in Ontario will see substantial growth as a result of the mining taking place in northwestern Ontario. This will be an economic driver for the province. It is the government of Ontario's job to make this happen, not the private sector's. The auto industry has historically received billions in government investment to support its growth and economic development. The mining industry now needs similar support through infrastructure investments that will drive the economy for decades to come.

The forest industry has been the backbone of the economy in northwestern Ontario for many years. Wood and paper industry jobs contribute greatly to our standard of living. There is no doubt that the industry has had its challenges over the last few years but is now poised for significant growth.

There are a number of hurdles to overcome, one of which is the cost of fibre. Ontario leads the pack for highest costs of fibre, making it problematic for companies to compete worldwide. Companies that are looking to invest in Ontario must have secure, affordable access to fibre supply. NOMA is requesting that the government support the forest industry by reducing the red tape that is a barrier for investment in this sector. This can be

achieved by ensuring that there is ample and affordable wood supply available to the mills that require it.

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Another issue that needs to be addressed is the cost of electricity. NOMA appreciates the implementation of programs such as the Northern Industrial Electricity Rate Program, but requests that it becomes permanent and that it is sufficiently funded. These tools provide an excellent opportunity for economic development and assist in making the industry viable. A permanent program will also encourage further investment in mining ventures as well across the region.

Heads and beds—nice and simple: It hasn't changed since 1987. When you look at universities, hospitals and correctional institutions, for example, they pay \$75. We need that increased to the current value of \$135.32. These individual establishments need to pay fairly.

Municipal infrastructure funding: Investments in roads and bridges, as well as other critical infrastructure such as water and waste water, storm water, transit, public housing and all of the other services that municipalities deliver to our citizens are investments in our quality of life that support continued economic growth and development.

As you are aware, it is a challenge for many communities in Ontario to maintain their infrastructure needs. Further complicating this issue is the requirement that municipalities must use reserve funding or take on debt in order to be eligible for provincial funding. It is crucial that the government recognize that property taxes in northwestern Ontario are typically higher than those in the counterparts in the south.

Under the Municipal Act, we are required to responsibly manage our finances. We are doing this, yet municipalities operating in a fiscally responsible manner are being penalized for not doing so, as they are ineligible for funding for major infrastructure projects.

We appreciate the \$100-million infrastructure fund to help small, rural and northern municipalities undertake infrastructure projects. While it is intended to provide consistent base funding, the government needs to recognize there are limitations that small northern communities face in terms of generating revenue to pay for their share of large infrastructure projects and capital purchases.

The future of Ontario is in the north. NOMA was disappointed that the recent release of the 2014 Ontario economic outlook and fiscal review did not mention the north. When you consider the expansion of the mining sector and the revitalization of the forest industry, there is a significant opportunity for growth as a result of the natural resources in the region. At the same time, the Northern Ontario Heritage Fund plays a significant role in the development of the region, and there was no mention of that either. We are calling on the government to recognize and credit the work being done in the north.

My final points: NOMA is concerned with the way in which MPAC is shifting taxes from industrial ratepayers to property taxpayers. This, compounded with the reduction in the Ontario Municipal Partnership Fund, has had a

very negative impact on our members. We have not seen the benefits of uploading and are struggling with the service delivery.

In this time of economic uncertainty, it is important to recognize that each region of the province has its own unique challenges and opportunities:

- The closure of a ServiceOntario office in downtown Toronto may require a citizen to travel a few blocks to find a new service they require, whereas the closure of a ServiceOntario office in Rainy River requires an extra hour or more of travel to obtain those services, often during hostile weather circumstances;

- The cost of doing business in rural and northern Ontario areas is different than those in an urban setting;

- An MPAC reassessment process that reduces industrial property taxes by millions of dollars can bankrupt small municipalities in the north;

- Infrastructure funding programs must be flexible to meet the needs of municipalities with limited staff and financial resources.

As you consider the proposed expenditures of the upcoming budget, please remember that our communities have unique needs. One size does not fit all.

PLT reform, which will be discussed at the OGRA conference coming up with the ministers—we encourage the government to move forward and take bold steps to bring fairness and be fair to all of the individuals.

Last, but not least, Minister Sousa, when he was in Thunder Bay running for the Liberal leadership, made a statement that decisions in the north, for the north, be made in the north, by the people of the north.

Thank you.

The Chair (Ms. Soo Wong): All right. We have five minutes for this round of questions from the government. Ms. Hoggarth, are you starting?

Ms. Ann Hoggarth: Yes, thank you, and welcome, Mr. Nelson.

Mr. Ron Nelson: Thank you.

Ms. Ann Hoggarth: I first of all want to say that I'm new at this. Today has been an excellent learning opportunity for me. When you live in the south, it is true, you do not necessarily know all the problems of the north, and vice versa.

However, I do know that I have heard constantly since I was elected on June 12 that the government will commit up to \$1 billion towards infrastructure development in developing the Ring of Fire. I think that is still on the table. Hopefully, we will be able to carry through on that commitment.

The question I wanted to ask—

Mr. Ron Nelson: Can I interrupt?

The Chair (Ms. Soo Wong): You will make a quick statement?

Mr. Ron Nelson: Yes.

The Chair (Ms. Soo Wong): Mr. Mayor?

Mr. Ron Nelson: Thank you. We appreciate the \$1 billion. When is it coming?

Ms. Ann Hoggarth: I understand that.

Mr. Ron Nelson: That's all I'm asking.

Ms. Ann Hoggarth: Okay.

The question I wanted to ask you is about something else. Do you see the changes in the Ontario building code that permit mid-rise wood construction as beneficial to the municipalities in the northwest?

Mr. Ron Nelson: We endorsed it and fought very hard for that. Myself, Mayor Canfield and Phil Vinet, the mayor of Red Lake, also sit on AMO. We were very diligent in the fact that that will allow a building opportunity that is more cost-effective. We appreciated the fact that it took us a while to get it.

Ms. Ann Hoggarth: Great. Thank you very much.

The Chair (Ms. Soo Wong): Ms. Naidoo-Harris.

Ms. Indira Naidoo-Harris: Thank you, Mayor. Thank you so much for coming in and making us aware of some of the challenges that you are facing in the region. I want you to know that I do have sensitivity to some of these issues because I did spend some time in northern Alberta in a small town. So this actually reminds me of going back—way back—but going home to some extent.

You touched on the Ring of Fire and that development project. I would like to just get a little more feedback from you about the importance of that project and the Ring of Fire to this region, to the economy, and also to the people who live here as an initiative and how you would like to see government place emphasis on that. If you don't mind just elaborating; you touched on it a bit. I got the sense it's important to this area, and if you can tell me more about—

Mr. Ron Nelson: To be very brief, we will send you two studies that were done. In fact, one of them was an independent study done by the university. The initial benefits to the federal and provincial governments were in the billions of dollars in taxes.

We also look at revenue sharing; we want to see that part and parcel of it. You've had that document for probably well over a year.

The northern growth plan has also been part of that document that we brought forward, so your government has it. You've had it for well over a year. If you're looking at the financial benefits, not only to the municipalities but to the province, and the work and our First Nations partners, it's all in that document. I would encourage you to read it. We will be bringing it up.

Please understand: There are 22 other mines that are at the cusp of opening the doors. We're focusing on that.

The Ring of Fire and Noront—Noront is at a very critical stage. You've got to make some decisions. It's the government's responsibility to put the infrastructure in, not the private. Partnerships have been talked about and they're willing to look at that, but you've got to get to the table. You have all of the information that you need.

The Chair (Ms. Soo Wong): One more minute. I see a hand from Ms. Vernile. You want to have the last question?

Ms. Daiene Vernile: Yes. Thank you very much for coming and sharing your concerns. You are a very strong advocate for your group, for NOMA.

We've been listening to municipalities across Ontario, and in particular at AMO last year we did hear about the great need for improved spending on infrastructure. A recent announcement that you heard, that we are going to be spending an additional \$100 million a year for small northern and rural municipalities such as yours to try to revitalize your infrastructure—how is that going to help you? Talk to us about that.

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Mr. Ron Nelson: First and foremost, the \$100 million that Minister Murray put into the budget—AMO put a subcommittee together, which I was part of and Mayor Canfield was. Our submission from AMO to your government was that that whole \$100 million be disbursed to municipalities. The lottery end of it is still under the infrastructure of the federal, provincial and municipal. We wanted that \$100 million completely distributed to the rural northern municipalities so we had a base that we knew was going to be consistent. Your government decided on a different approach: \$50 million went for the base; the other went for a lottery. I call it a lottery because once you submit, you are determined at that point in time by the government whether or not you're going to get any more. We fought for the whole \$100 million. We're happy that we at least got \$50 million, and it's going to be reviewed in a few years.

Ms. Daiene Vernile: Do you feel that our federal partners are stepping up and helping as well?

Mr. Ron Nelson: No.

The Chair (Ms. Soo Wong): Mr. Mayor, thank you very much for your presentation. We have to move on.

RESOLUTE FOREST PRODUCTS

The Chair (Ms. Soo Wong): Our next witness is Resolute Forest Products: Steve Watson and Terry Skiffington.

Welcome. You have 10 minutes for your presentation, sir, and the five minutes in this round of questions will be from the official opposition party. Can you please identify yourself for Hansard?

Mr. Steve Watson: Good morning. My name is Steve Watson. I'm the Ontario forestry manager for Resolute Forest Products. Terry Skiffington sends his regrets today.

I'd like to provide a little bit of background information on our company. Resolute is a Canadian forest products company, and it has a leading market presence in North America. We've got about 8,000 employees in facilities in Canada, the United States and Asia. In 2013, we generated total sales of about \$4.5 billion.

In terms of Ontario, despite the recent closures of the facilities here in Fort Frances and Iroquois Falls, we still have a leading market presence with facilities. In Thunder Bay, we've got a pulp and paper mill and a sawmill. In Thorold, we have a newsprint mill. Recently, we've made about \$90 million in investments in Ontario—one of the few forestry companies that has made significant investments in this province. This includes the construc-

tion of a new sawmill in Atikokan, Ontario. There was an existing facility that was torn down and replaced with a new state-of-the-art facility. We have a restart of our facility in Ignace, which involved significant upgrades. We've also made upgrades to our sawmill in Thunder Bay. That includes the addition of a pellet facility which will be used to generate green energy. This will result, over the coming year, in the creation of 175 new direct jobs in northwestern Ontario, and there will be a number of spinoff benefits associated with hauling, harvesting, moving chips, lumber etc. throughout the entire region.

As a result, Resolute will have a combined annual production capacity of about 600 million board feet of lumber, and we're adding another 50,000 tonnes of wood pellets for green energy production. Those pellets are going to the generating station in Atikokan right now.

I'd like to briefly discuss some of the initiatives of the government that we think are of paramount importance for moving forward to help support the current recovery that's happening within the forest industry.

When it comes to woodlands operations, there are a number of government programs and initiatives that have been put in place to promote the competitiveness of the forest sector and to stimulate economic investment in Ontario. Our message is that we've been very grateful for these programs, and we hope that the government continues to stay the course in this regard. The bottom line is that these initiatives are working, and I think the current recovery we're seeing right now is evidence of that.

Hardwood stumpage adjustments: In Ontario, we're currently facing a lack of markets for hardwood species such as poplar and birch. This has resulted in a significant under-harvest of these species. A lack of markets also creates additional impediments, particularly for accessing softwood species that are primarily what we use in our facilities. The main reason for that is that softwood species and hardwood species grow together, and we don't want to just go in there, take out the softwood species and leave the hardwood species behind, because it doesn't result in full utilization, which is something that the government is both promoting and requiring. Not having markets for hardwood species creates additional challenges for the remainder of the industry.

In order to deal with some of these issues related to the under-harvest of hardwood species, the crown has adjusted stumpage rates, has reduced them, associated with poplar and birch. We think these adjustments have had a significant material benefit for the hardwood sector, as well as integrated companies such as ourselves. We currently do produce hardwood pulp at our facility in Thunder Bay, and one of the primary drivers there is to keep the current utilization strategies; if we use hardwood, it gives us access to softwood. The current adjustments are critical, not only for promoting use and new markets, but also to maintain competitiveness for us for the hardwood pulp that we're producing. We're currently existing in a global marketplace, and we have stiff competition, particularly from South America right now. They are able to produce low-cost hardwood pulp from

eucalyptus species, so they've had significant market penetration into North America over the last 10 years. It's a highly competitive market to exist in right now.

I also want to talk about the Ministry of Natural Resources and Forestry roads program. It has come up a number of times today. We feel that it plays a vital role in the competitiveness of our sector, also providing vital infrastructure to our natural resources. The program has been in place since 2006. It was originally put in place to offset some of the costs associated with the construction and maintenance of forest access roads. I would say that this is one of the most effective programs that the government has ever put in place to help our sector. There is universal support for this initiative within the industry. It has helped us bring down our road costs and, ultimately, our wood costs as well.

I'd like to point out that the roads funding program helps offset the costs of developing public forest access roads. Yes, it is a benefit to our industry, but it's also a benefit to local First Nations and local communities, and it's beneficial to a number of other industries, such as forestry, mining and tourism. These programs don't just support our industry; they support access and vital infrastructure to the natural resources of Ontario.

The roads funding program only covers a portion of the fees associated with the construction and maintenance of roads. The forest industry ultimately has been picking up the remainder of the costs there. The funding program was originally set at \$75 million a year; there has been a fairly dramatic drop over the last few years. This year, the program was at \$38 million. I think it's a program that has been effective. It has been used to the full extent throughout the time that it has been in place. Our position is that it's really critical that this program remain in place to help assist with the current recovery in our sector.

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There was a commitment in last year's budget for this year of \$38 million and \$60 million for the next two years, which is pretty critical, and it's what a lot of companies have budgeted for and made assumptions around, moving forward. I think, ideally, we'd like to see the program restored to the original \$75 million because we are seeing a lot of mills reopening. We're seeing a recovery. We're seeing investments in new facilities, the construction of new facilities. Unfortunately, as a result of the economic downturn, we have seen areas where there are pretty significant shortfalls in road infrastructure, so—

The Chair (Ms. Soo Wong): Mr. Watson, can you wind down your presentation so that Mr. Fedeli can ask you some questions?

Mr. Steve Watson: Sure. I just want to make a few comments around electricity and energy. Since 2006, the government has initiated a number of effective programs to control the cost of electricity for the pulp and paper sector. These programs have resulted in a competitive all-in at the plug price for electricity. We are seeing some of these programs disappear, particularly the demand response programs, which end at the end of January for our company. We think it's critical, as the government moves

forward, that we see programs such as the NIER program—some type of process put in place to replace the demand response programs that have existed. We also hope that there are no changes to the mechanisms used for global adjustment.

The Chair (Ms. Soo Wong): Thank you, Mr. Watson. Mr. Fedeli, you have four minutes.

Mr. Victor Fedeli: Thank you very much. Welcome today. I've got a couple of areas that I wanted to discuss. Just a quick question: What do you have in Ignace?

Mr. Steve Watson: We have a sawmill facility.

Mr. Victor Fedeli: When you talk about the adjusted crown charges with white birch and poplar, are you referring to the 820% increase that's being announced or being discussed, to go from 59 cents to \$4.83? Is that what you're referring to in the concern about why you need to leave hardwood stumpage where it is? Do I understand that?

Mr. Steve Watson: The bottom line is that stumpage rates now have been reduced to, I believe, around \$1.08. We're hoping to see that they're maintained where they are right now on an ongoing basis. The last number of years, they've been reduced to try and assist with the utilization of hardwood and some of the associated issues.

Mr. Victor Fedeli: If you take one, you are compelled to take the other or let it sit.

Mr. Steve Watson: Exactly, yes.

Mr. Victor Fedeli: I wanted to talk about the roads program funding, from \$75 million down to \$38 million—30 seconds more on that, if you don't mind.

Mr. Steve Watson: Okay.

Mr. Victor Fedeli: What would you be doing right now with your share of that funding? They announce \$100-million infrastructure but take it away. "There's money for roads, but we've taken money away from roads": I saw that so many times in my terms as mayor.

Mr. Steve Watson: Yes. I think the bottom line is that last year, the \$38 million caught us by surprise. We budgeted and hoped for a higher level. The higher level is really critical for us being able to access natural resources, particularly fibre. There are a number of new facilities for us. We've got new facilities going in. It's going to increase the demand for fibre, and it's difficult to access fibre unless you've got road infrastructure in place.

Mr. Victor Fedeli: You had to skip over the section on fibre because of the time, so I just want to read this into the record—your comments. You say that you can't "stress the importance of ... a stable fibre supply for the forest industry." I presume you mean all of the forest industry.

Mr. Steve Watson: Yes. It's critical for our company, but it's critical for all the forest companies.

Mr. Victor Fedeli: It says here, "Access to a predictable, continuous, economical supply of fibre is a fundamental requirement for a healthy forest sector...."

Mr. Steve Watson: That's correct.

Mr. Victor Fedeli: There was an earlier comment by another presenter who said that throughout the day we

were going to hear about an inclusive model of forest management for the local forest. They're asking if people are supportive of a secure, long-term, cost-competitive fibre supply, in support of continued investment. Is that something that you believe in and support?

Mr. Steve Watson: Yes, it's absolutely critical. That's one of the key considerations for us.

There's a lot of discussion about tenure and tenure reform. We support the OFIA position that if things are working, if there are no issues and wood is flowing, then let's not mess with that right now. But there are issues, and maybe alternative mechanisms need to be looked at in terms of tenure. But that's a key component. If we're going to change the overall framework for how forests are managed, the end result needs to be a cost-effective, continuous flow of fibre to support the existing industries and new industries as well.

The Chair (Ms. Soo Wong): Mr. Watson, thank you very much for your presentation today.

Mr. Steve Watson: Thank you.

RAINY RIVER FUTURE DEVELOPMENT CORP.

The Chair (Ms. Soo Wong): Our last witness is the Rainy River Future Development Corp. I believe we have Geoff Gillon here. Thank you and welcome. Can you please identify yourself for the record for Hansard? You have 10 minutes for your presentation. This round of questions will be to the NDP and Ms. Fife.

Mr. Geoff Gillon: For the record, my name is Geoff Gillon. I'm a regional economic developer for the Rainy River district. Our corporation works for all the area municipalities. We provide business counselling, lending and economic development services.

I've been working in economic development since 1989. I have an Ec.D(F) from the University of Waterloo and I have been president of both the Northwestern Ontario Development Network and the Economic Developers Council of Ontario.

The conversations held through the presentations this morning regarding the reopening of the mill are not about the town of Fort Frances versus Resolute Forest Products, or making a choice between reopening a pulp mill, expanding a sawmill or closing a mill. Selling the mill in Fort Frances and restarting it, we believe, is a win-win for all parties.

We understand that Resolute Forest Products and the forest industry association are not happy with the endangered species legislation of Ontario. We understand that Resolute has difficulty meeting its stewardship council standards and that they and the government of Ontario may be at odds on many facts and files. But really, none of this has anything to do with the Fort Frances situation as we see it.

We agree with Minister Mauro that moving to a collaborative licence agreement will take some time, and we are willing to take that time to make it right, which is why, in the short term, we are proposing that the ministry

move to a crown management unit similar to the Sapaw Forest, with an allocation for a pulp mill in Fort Frances.

We are also in agreement with Resolute Forest Products. I'm attaching a release here from November 4, 2014, which states that Resolute is willing to sell the mill in Fort Frances at little or no cost, that they're willing to cover legacy costs associated with the facility, and that they're willing to allow a new company to have access to the fibre needed to run the facility and will move to an eSFL in time.

All that is in dispute here is who owns the Crossroute Forest. Is it Resolute Forest Products, or does it belong to the province of Ontario? All that is required is for Resolute to release control or for Ontario to take control of the fibre available in the Crossroute to establishment a crown management unit. That is why we are here today: to encourage the sale of the Resolute Forest Products facility in Fort Frances, to ensure a long-term, low-cost fibre supply for the buyer of the mill, should we find one, and to stabilize the economy of the Rainy River district. As you've heard from previous presentations, we have had some opportunities in the last few months to add high-quality paying jobs for the Rainy River district with the restart of that pulp mill.

I will now turn my presentation over to Mr. Mike Willick, who will elaborate on the fibre situation in northwestern Ontario and the Crossroute.

Mr. Mike Willick: Thanks, Geoff. Good morning, and thank you for the opportunity for me to speak to you for a few minutes today. My name is Mike Willick, and I've been providing forestry advice to the Rainy River Future Development Corp. regarding forestry issues in the district. I'm a registered professional forester, and I had a long career with the Ministry of Natural Resources, retiring in 2008 as an assistant deputy minister.

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One of my appointments during my public sector career was to the position of assistant deputy minister for the forest division. I was responsible for the forest program for the province. That makes me familiar with the policies, procedures, practices and history of the provincial forests, the forest licensing, the forest allocations and the forest management. In addition, early in my career, I managed a lumber company in northeastern Ontario. This experience provided me with an appreciation of the business side of things, so I understand a bit about the economics of running a forest company. Now I'm providing advice to companies, governments, First Nations and municipalities on a broad range of forestry matters.

Today, I want to make three points to you, three things that I'd like you to take away with you. First, there's enough wood in this area to support the Fort Frances pulp mill and the Atikokan sawmill. Secondly, this pulp mill provides benefits much more broadly than is commonly realized. The third point is that the forest is a provincial resource, to be used for the benefit of the people of Ontario.

First, let's talk about the wood supply. The pulp and paper mill has existed here for a hundred years, drawing

wood from the forests from around the pulp mill, largely the Crossroute Forest, for more than a hundred years. In addition, there has been a sawmill in Atikokan for 50-some years, drawing wood from a similar wood basket, overlapping. The pulp mill provided logs to the sawmill. The sawmill provided chips back to the pulp mill—perfect synergy.

Wood supply modelling that has been prepared by Resolute indicates that there is enough wood within an economic haul distance to satisfy both these mills, the Fort Frances mill and the Atikokan mill. If this pulp mill does not restart, the forest resource in this district will be underutilized. It will be high-graded for the better-quality saw logs, and we see this starting now. It's my view that reasonable people would be able to find a way to share this resource, share this wood supply, so that we could allow both mills to flourish. Trading sawmill chips for saw logs makes good business sense.

Secondly, let's talk a bit about the benefits of the pulp mill. You heard earlier today the obvious benefits of the pulp mill: the local economy creating jobs, businesses and so on. Everybody has talked about those, and they're commonly understood.

But there are a lot more benefits for this pulp mill that are less obvious. First of all, this pulp mill benefits the forest. If we don't have a market for the smaller trees that don't make good saw logs, there will be an underutilization, there will be wasteful practices and, finally, there will be long-term environmental degradation of the forest. That's what could happen if we can't use all the forest that is out there.

The synergies with other industry: I've talked about sawmills and the relationship between the Atikokan mill and the Fort Frances mill. But the sawmills need a market for their wood chips. The lack of market for sawmill chips is becoming a big problem for this province. As the pulp mills close across the province, there are fewer places to take the chips. We all benefit if we can maximize the volume from the forest, from the land base—sustainably; sustainably managed—and get the greatest value of the products that come off. That means put the big logs into sawmills, and take the smaller trees, the pulp wood and the sawmill chips, and put it into the pulp mill.

Restarting the Fort Frances pulp mill benefits the local sawmills. We've got a small sawmill in Manitou Forest Products, out on the reserve. We have Nickel Lake Lumber, just east of town. We have the proposed mill that's going into Atikokan. Those are all important. Kenora Forest Products is really dependent on this mill starting, because they need a place to put the chips.

Benefits to the province: Naturally, a mill like this will generate corporate taxes, personal taxes and so on, but the crown's stumpage revenue is often overlooked. The trees that go into this mill, the person who buys this mill—if the mill is lost and doesn't restart, they could lose revenue of about \$6 million a year. We could lose revenue from this—the province of Ontario—so it's important.

The final point I want to make, and you've heard it before, but I'm going to say it once more: The trees are a provincial resource. Crown timber is a natural resource that is owned by the people of Ontario. The Minister of Natural Resources and Forestry licenses to companies the right to harvest the timber. The companies do not own the trees. They don't own the forest.

Locally, the minister has licensed the wood from the Crossroute Forest to Resolute Forest Products for use in their facility in Fort Frances. But Resolute has closed this mill and has plans to use the fibre in their other, more distant, facilities.

The minister has the responsibility to decide how this crown resource will be used to benefit the people of Ontario. The minister should confirm that he will make available the historic wood supply of the Fort Frances pulp mill to any new owners of the pulp mill. The crown wood supply of the Crossroute Forest is not owned by a corporation; it is owned by the province of Ontario.

In summary, the three points: There's enough wood to support the local industry. That has been the case for decades.

We need both the pulp mill restarted and that new mill in Atikokan. That's what the district needs.

The commitment of the crown wood supply cannot be left to a negotiation between two companies. Committing crown wood is the responsibility of the Minister of Natural Resources and Forestry. This cannot be left to a corporation.

The Chair (Ms. Soo Wong): Thank you. Ms. Fife, you have five minutes.

Ms. Catherine Fife: Thank you very much, Geoff and Mike. I think that you summed up some of the issues very well with your presentation.

Geoff, you have said that you believe that a collaborative licensing model can be found, but it's a question of timing. Mike has said that in order to sell the Fort Frances mill, we need a sustainable fibre source, and that needs to be negotiated not by two companies, but the government needs to intervene in this. So where is the barrier? Earlier we heard that there is no barrier; just political will. So can you please clarify why this cannot be simplified? As Mike says, reasonable people should be able to figure out how to share in order to save this town's mill.

Mr. Geoff Gillon: I guess that's what would be our hope. That's our reason for our speaking here today, that we believe that reasonable people can come to an agreement and allocate wood fibre at a fair price for a potential owner of this mill to restart it.

As I said, Resolute has stated that they had a willingness to sell this mill, but it's the fibre cost. I guess it may come down to an honest broker to work with the companies rather than having a company such as Resolute, which is basically accountable to its shareholders.

Ms. Catherine Fife: So are you suggesting that the MNR then intervene in this to negotiate a very consistent tenure model, which is in flux, and that affects whether

or not a buyer will purchase the mill? And are you suggesting also that the government has a significant role to play in this and that—but you actually had mentioned as well, Geoff, that timing is an issue. It's a fixed window of opportunity here. Can you be clear about that?

Mr. Geoff Gillon: That is our issue as a community. With our efforts from the fall and with the help of the government and with Resolute finally coming to the table to heat the facility, we believe—and I think it was mentioned earlier—that we've got three or four months to have some kind of serious traction.

We know that a year from November, we'll be in exactly the same situation we were last November, with winter coming and who's going to heat the mill? If we have serious dialogue with the government and with the ministry and potential buyers, that may happen, but the window of opportunity is from now to November, and the sooner the better. So I think we need some help from the government there.

Ms. Catherine Fife: Okay. So one final question I guess for Mike is this: When you were the deputy minister at the MNR, were you advocating for these same points—that the provincial forest is a provincial gift, or owned by the people of this province, that there was enough wood, and that the benefits of keeping this mill open are sound?

Mr. Mike Willick: This mill was not in question.

Ms. Catherine Fife: This mill shouldn't be in question.

Mr. Mike Willick: This mill was the pride of the fleet when I was in my job. It's amazing how it could fall out of favour so fast. But certainly it's government policy, not just my policy, that the forest resource is owned by the province.

Ms. Catherine Fife: But not in the present state, right?

Mr. Mike Willick: Well, the question is, who controls it? Geoff and I are saying the same thing. My comments are that we need an immediate fix so that we can attract a buyer for this mill. What the buyer needs is to have a committed wood supply—committed by the minister, not by Resolute.

Ms. Catherine Fife: That's right, yes.

Mr. Mike Willick: We've heard today that they only fix the tenure where it's not working. It's my view that the current tenure model in this forest is not working. We need to fix it. That takes longer.

Right now, we need the wood supply so that a buyer can come to the table. Over the long run, I think there need to be discussions about a new model.

Ms. Catherine Fife: Thank you.

The Chair (Ms. Soo Wong): Okay. Gentlemen, we're going to wrap up. Thank you very much to all the witnesses. We're going to be adjourning this committee, and we're heading to Sudbury. Thank you.

The committee adjourned at 1200.

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ET DES AFFAIRES ÉCONOMIQUES

Wednesday 21 January 2015

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The committee met at 0900 in the Radisson Hotel, Sudbury.

PRE-BUDGET CONSULTATIONS

The Chair (Ms. Soo Wong): I am going to call the meeting to order because we have a very tight schedule. Welcome, everybody, to Sudbury for the pre-budget consultations 2015.

ORCHESTRAS CANADA

The Chair (Ms. Soo Wong): The first witness today is coming to us by conference call. Mr. Jones, are you on the line?

Mr. Matthew Jones: Good morning. Yes, I am.

The Chair (Ms. Soo Wong): Good morning, Mr. Jones. My name is Soo Wong. I'm the Chair of the committee. With us this morning are the following members from the government side: Laura Albanese, Joe Dickson, Ann Hoggarth, Eleanor McMahon and Daiene Vernile; from the opposition party: Jim Wilson, Vic Fedeli and Monte McNaughton; and from the third party: France Gélinas and Catherine Fife.

Mr. Jones, you have a total of 15 minutes for your presentation this morning, followed by five minutes for questioning. This round of questions will begin with the official opposition party. You may begin any time. When you begin, Mr. Jones, can you please identify yourself and the organization you represent? Thank you.

Mr. Matthew Jones: Good morning, everybody, and thank you very, very much for the opportunity to speak to you. My name is Matthew Jones. I am the music director of the Timmins Symphony Orchestra. I also am proud to be the music director of the Kitchener-Waterloo Chamber Orchestra, and I am a proud board member of Orchestras Canada, which is the service organization that oversees the national picture for orchestras across the country. I'm really here with my Timmins Symphony hat on to speak to you today and to impart some information about orchestras in Ontario that we are very proud of and working very hard for.

To begin, certainly orchestra musicians and the industry acknowledge the financial realities that Ontario is under, so we blanket a context of that over all that we say. But I am here to acknowledge the critical importance of Ontario public funding to the arts and to symphony or-

chestras, and just how important it is for us to be able to leverage that funding to do the great things that are going on in our communities.

Ontario boasts 55 symphony orchestras within its borders. That is unprecedented anywhere else in the country. It is a fantastic community of musicians who are actually all working together to promote culture and art in Ontario. We spend about \$67 million in our communities in total; 70% of that money goes toward salaries and fees and paying musicians. Actually, I'm proud to say that I am indeed a musician who pays taxes. So it is an important part of the economic engine that symphony orchestras—we boast.

I really want to impress upon you that symphony orchestras are, by and large, the largest cultural organizations within their communities, and that we truly are not making decisions within a vacuum. We are looking to our communities and looking to serve as well as we can. I can certainly share many examples of that with my orchestra here in Timmins. We have a music school, for example, that is associated with our organization. We teach about 150 hours of lessons a week. We had to move that operation from an outlying building because our local gold mine wanted the gold that was underneath it. We have managed to bring that part of our organization into our downtown core, where we now contribute to the cultural vitality of downtown Timmins. We were able to reduce our costs in doing this, which was absolutely fantastic, mostly because of a community partnership that our orchestra developed with a business downtown, a business that is also looking to position themselves as a cultural entity within the community. It happens to be a local coffee shop that promotes live music and wants to be the go-to place for culture. We partnered with them and got a wonderful opportunity to have space from them in their upstairs.

I should also point out that Trillium funding made the renovations of that space possible. We now live on a beautiful second-storey floor of this coffee building. You open the windows in the summertime and you can hear the music out on the street—the students' lessons taking place. It's absolutely fantastic. The result of all of this energy is that there's so much potential that is embedded in that part of our operations that it is just wonderful.

We also look to our community to partner with other organizations like the museum, for example. They are now our box office. The Timmins Symphony Orchestra

is driving its audience into their business. It is a natural fit, of course. The museum has done a wonderful job of caring for our box office, and they benefit from our clients going to their space to purchase their tickets. I happen to know that we are equally benefiting from their clients knowing about us and seeing us in the community.

We also partnered with the local cathedral. We have sought greater efficiencies for our concert-producing opportunities, and we now have a great partnership with the local cathedral. Our money now goes to yet another community cultural entity, and there's a great cost savings. The benefit for us is awesome acoustics and a wonderful ambience and environment for our concerts.

Finally, another partner that I would like to highlight that the symphony has actively sought out is the city of Timmins itself. We made sure that we had a voice and we participated fully on the recent Timmins 2020 strategic plan. Embedded within it is a culture plan. I personally sat on the steering committee for that part of the entity. So we are contributing to the broader cultural dialogue in our community. We are helping to steer it. We also embedded, in our own recent strategic plan, some of the elements of that Timmins 2020 cultural plan so that we are aligned with our municipal government as we are moving forward.

This is a wonderful opportunity for us, but it also showcases just how embedded in the cultural communities of cities and towns across Ontario symphony orchestras really are.

The government of Ontario has contributed just over \$4 million to symphony orchestras specifically, across the province. It's about 6% of a typical orchestra's revenue base, so it's not much, but we are able to leverage that funding to get corporate sponsors on board—our local donors—and it is of critical importance.

When we come to recommendations moving forward, Ontario investment in the arts needs to be sustained, with a view to growing it commensurately with the economy. Orchestras have done a great job, and I hope you appreciate that they have really worked hard to match the context—the financial realities—as we've gone along: ebbing and flowing with the economy.

It's such a different story in Canada than it is in the United States, where those two lines are very divergent. In Canada, it's incredible to see how carefully the revenues and expenses of orchestras have matched the reality of the economy. That is partly because in Ontario, we have the Ontario Arts Council, which is helping us and guiding us to police those expenses. They are watching very carefully. The result is, we have a very healthy and responsive orchestra sector in the province. For a relatively small investment in the orchestra world, there's a great deal of economic growth that's available to Ontarians.

The Ontario Arts Council, in the opinion of orchestras, is the best vehicle for arts investment. It does a great job with, frankly, inadequate resources. Over the years, the Ontario Arts Council has really transformed itself as

well. It is also lean; it's efficient; it is able to make tough decisions. I happen to know that the Ontario Arts Council has the respect of MPPs. I have visited you in your offices and talked to you about the Ontario Arts Council, and I have not met anybody who did not have respect for the Ontario Arts Council. You should also know, though, the Ontario Arts Council has great respect within the orchestral community as well, and more broadly within the cultural community.

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So the Ontario Arts Council has transformed itself into this lean, efficient operation and it works hard to respond to growing numbers of applicants. It, frankly, is a victim of its own success. It is at the point, I think, of diminishing returns. We have to be careful, moving forward, and I hope that, if anything, we put the Ontario Arts Council and Ontario public funding on the radar screen for you as MPPs when you consider the budget, moving forward.

I mentioned the great potential that we have here in our school of music and what we are doing in Timmins. We can also be cursed with potential, and I would prefer not to be cursed.

That concludes my portion, and I'm absolutely happy to answer any questions.

The Chair (Ms. Soo Wong): Thank you, Mr. Jones. This round of questioning will be from the official opposition party. Before I start that, I want to recognize our colleagues Cindy Forster and Monique Taylor from the third party, who are joining us.

Mr. Fedeli, did you want to begin the questioning for this round? You have five minutes.

Mr. Victor Fedeli: Thank you very much. Matthew, how are you?

Mr. Matthew Jones: I'm very well, thank you, sir.

Mr. Victor Fedeli: Good. It's Vic Fedeli here. I'll be asking you a couple of questions.

Thank you, first of all, for all of the history that the Timmins symphony has had with our North Bay symphony. We've had some beautiful trade-offs where we head up to Timmins and you head down to North Bay, so we've had a little bit of fun and we have enjoyed—it's different than our usual hockey rivalries that we have in the north. So it's always pleasant. I know I've enjoyed hosting the mayor and the symphony folks. So thank you very kindly for your past work.

I also want to comment, on a positive note, Matthew, on your partnerships. Throughout the north especially, Matthew, we have found that that's how we need to make things work. You partner with the museum; you partner with the cathedral; you partner with the city of Timmins. This is exactly the kind of thing that we need to see more of, and I think it serves as a model for many other organizations, just to know that it's not always a handout; it's a leg up. You work hand in hand with people like the museum for equal benefit. I just think that's a super way for you to be working and I just want to acknowledge that.

You talked about the point of diminishing returns with the Ontario Arts Council. Can you just expand on that for a moment? I wasn't quite sure I got the entire point.

Mr. Matthew Jones: Sure. We have just recently been notified by the Ontario Arts Council—who, by the way, have had stable but non-increasing funding since 2009, and we all appreciate that that is like getting a cut. What has happened is that all of us who benefit from funding through the Ontario Arts Council have been told that if we write an application this year that is as good or even better than the application that we sent in with them last year—it is an annual process for us, by the way—we are looking at a 5% cut, guaranteed, across the board. So it has come to the point for the Ontario Arts Council where, in order to satisfy their mandate, they are having to make some really tough decisions, and we are all having to participate in the responses to this situation.

Mr. Victor Fedeli: I appreciate that, Matthew.

I'm going to steal a line from my NDP colleagues who chatted yesterday with the symphony representing the Fort Frances area. They talked about the fact that they run their symphony like a business. Would you agree that you run your symphony in a businesslike way as well?

Mr. Matthew Jones: Oh, absolutely. If anything has occurred for not-for-profits, in my personal opinion, in the last even five years, and for sure 10, it is that the business acumen that we have been required to show in terms of business plans and expense profiles and the whole nine yards has increased a great deal. It has put, in all honesty, a great deal of pressure on boards of directors to really get their governance acts together. I'm happy to say that in Timmins we have a very talented board that has that business side of it on it. But, absolutely, we are business first.

We have just created a value proposition for the symphony orchestra that we are prepared to share with our community and our corporate sponsors that shows the benefits and the economic drivers that the symphony helps to promote and where the money comes from and where it goes—the whole thing. It really is a business plan. Actually, I would like to also say that all those partnerships and all of those things that the Timmins Symphony has developed—really, at its core, everything that we do is designed to answer the question, “Why should you support us within the community?”

Mr. Victor Fedeli: Excellent. Then, as a business, would you be equally concerned with higher taxes, increased red tape? When we think about the upcoming pension tax or the upcoming carbon tax, are those taxes that we should be taking a message back to the government that this will affect your sales or this will affect your operation of your own business; the skyrocketing energy rates? Is there any message that we can take back to the government regarding the high cost of doing business and the high cost of business that affects your customer base or your clientele? Is there any particular message?

Mr. Matthew Jones: Absolutely. The cost of doing business, on the expense side of our operations, has con-

sistently increased. It is absolutely true. The shrinking economy has made it hard for us to make up the difference. I will suggest that I have great anxiety about our organization's capacity to produce an artistic product—

The Chair (Ms. Soo Wong): Mr. Jones, our time is up, so thank you for coming before the committee. If there is any additional stuff you want to submit, please submit it to the Clerk by next Friday, 5 p.m. Thank you so much for joining us this morning.

Mr. Matthew Jones: Absolutely a delight to talk to you all. Thank you.

CANADIAN MENTAL HEALTH ASSOCIATION, SUDBURY/MANITOULIN

The Chair (Ms. Soo Wong): Our next witness is the Canadian Mental Health Association, Sudbury/Manitoulin branch. Welcome. Come on in. As you heard earlier, you have 10 minutes for your presentation and five minutes for questions. This round of questioning will be by the NDP. Please identify yourself and your organization for Hansard purposes. You may begin.

Ms. Patty MacDonald: I'm Patty MacDonald. I'm director of operations at Canadian Mental Health Association, Sudbury/Manitoulin branch.

Ms. Marion Quigley: I'm Marion Quigley. I'm the CEO with the Canadian Mental Health Association, Sudbury/Manitoulin.

Ms. Patty MacDonald: Thank you, Madam Chair, and honourable members of the committee. On behalf of the individuals served by the Canadian Mental Health Association, Sudbury branch, I want to thank you for the opportunity to appear today. I will begin with a story to highlight the profound impact that certain decisions and system transformation is having in our community.

This is the story of one woman. She could be any one of us—our mother, our sister, our daughter. We will call her Pauline, which is not her real name. Pauline is an individual living with mental health challenges who lived in a long-term-care setting until she was finally able to access housing in her own community. Housing and other supports in the community contributed to Pauline being able to receive the services she required and avoid being hospitalized.

However, in less than a year, she was diagnosed with cancer. Facing serious health challenges, she went into treatment. Fortunately, she was able to go home sooner, thanks to having a home with housemates and supports both at home and in the community to return back to. As part of her hospital discharge, we were able to engage with community supports such as the slow-paced rehabilitation program at Extendicare York, North East Community Care Access Centre nursing and home-making, and Red Cross for transportation support, just to name a few.

For Pauline, access to housing which was closer to home in Sudbury and closer to her family helped them to help her while she received treatment.

This story is one example of how we are working with our partners in alignment with one of the Ontario government's central initiatives: putting patients at the centre, the right care, right place, right time. Though our vocabulary for individuals accessing our services may differ from that of other providers, we are all working for the same population: patients, clients, individuals experiencing mental health challenges. They need all of us to continue to innovate in changing how we offer services.

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We understand and are experiencing that more and more stories like Pauline's have positive outcomes when there is collaboration across sectors. The World Health Organization states that the social determinants of health are the conditions in which people are born, grow, live, work and age. At the local municipal level, the city of Greater Sudbury's Housing and Homelessness Background Study highlights prominent factors contributing to homelessness in Sudbury. These include mental health issues and many other factors experienced, such as family and relationship breakdowns; unemployment; conflicts with the law; obstacles to accessing suitable housing; and evictions for various reasons.

Housing challenges are powerful determinants of health for these individuals. Without suitable housing and the supports that individuals require day to day, it is sometimes virtually impossible to help individuals gain or return to mental health. Housing providers know that persons with mental health issues may have difficulty adhering to the rules of social housing buildings and may also lack the life skills to maintain a household. Evidence shows that communities where individuals enjoy mental health, resilience and inclusivity are strong, sustainable communities.

We are partnering with service providers across governments and across systems in our communities. We sense that the Ontario government's leadership on collaboration will require service providers to enter into a new phase of development to the benefit of the work—who look to us in their times of greatest need.

Collaborating on shared responsibilities across government—one of Ontario's key priorities—has been a discussion point in our circles for some time. We have experience in this type of initiative and look to our government and ministry leaders to continue to support us in this complex work. We know that the delivery of co-ordinated, timely and quality services—the next phase of the mental health and addictions strategy—will require this type of partnering.

Collaborating has enabled us to meet our commitments to getting results with new funding. One example is our successful partnership through our Community Mobilization Sudbury program. This program is a community partnership representing key sectors in the human services system, such as health, children's services, policing, education, mental health and addiction, and municipal services—the collective efforts of 19 partners coming together around a common need and desire to build multi-sectoral and collaborative mechanisms for re-

sponding to situations of acutely elevated risk. It is recognized that the CMS model is an investment of resources upstream in the coordinated prevention of negative outcomes, rather than a downstream response to harmful incidents once they have occurred.

These early interventions have demonstrated the potential to reduce the need for more intensive and enforcement-based responses, such as hospitalization, arrests and apprehensions. Some 75% of mental health care happens outside of the formal system. Across sectors, service providers are being asked to move forward on social and affordable housing.

Our agency is one of the largest providers of housing for individuals experiencing significant mental health challenges in our community. We have been able to make strides in this area thanks to our funders and the support for innovative solutions brought forward by our staff members, the community and our partners. For individuals living with mental health challenges, the idea of being able to access services through community hubs, as the government of Ontario is now asking of our municipalities, sounds promising. Though this may not meet all of the needs of our clients in rural and remote areas, we are looking forward to being part of the evolution of this concept.

We know that at least one in three residents of north-eastern Ontario experiences a mental health issue in their lifetime. Based on nationwide estimates and 2012 population figures, the annual economic cost of mental illness in the northeast is \$730 million. Of great concern is the fact that approximately 3% of the population actually has a severe and persistent mental illness.

When we consider that individuals with severe mental illnesses are also more likely to be homeless, it makes sense that our local statistics show that 36% to 51% of homeless people in Sudbury also experienced mental illness. They are homeless for longer periods of time and have less contact with family and friends. They encounter more barriers to employment and are in poorer health than other homeless people and individuals living in poverty.

We appreciate the opportunity at this time to highlight the need for additional supports, and in a variety of housing options, for persons with mental illness.

Studies show that in our area there is a need for an additional 350 supported and supportive housing units for persons with mental illness in Greater Sudbury and the districts of Sudbury and Manitoulin. Though positive changes are clearly occurring, the individuals we serve continue to struggle with access to services, partly due to the fragmentation and silo realities of the varying systems. They may encounter this when trying to access counselling and treatment and affordable housing, and especially in times of crisis and potential suicide.

We, as service providers, must learn and be supported to collaborate and combine our resources to continue and multiply the instances of positive change occurring for our population. The decisions we make, the resources we are able to provide, and the face-to-face services we

deliver contribute to healthier lives for individuals living with mental illnesses, and at times the impact is as profound as the prevention of a death by suicide or other preventable means.

Vern Harper, whose son Vincent was found dead in an alleyway this summer and whose story made national headlines due to the video which unfortunately surfaced, shares that he was a good person. He just got lost on the way. Vincent Harper struggled with substance abuse and was in fact homeless.

The Sudbury/Manitoulin branch of the CMHA supports government initiatives and infrastructure enhancements aimed at the following outcomes for all persons living with the high risks that come hand in hand with mental health challenges and illnesses: increased community supports and services; sufficient affordable, safe housing; care and community services as close to home as possible. Where additional mental health and addictions funding is given to a community agency to provide supports in the community, it is crucial that the infrastructure be able to sustain services such as cost-of-living increases to employees, support services, heat, hydro and rent, and remain viable—

The Chair (Ms. Soo Wong): Ms. MacDonald, can you wrap up, because we want to get some questions from the NDP.

Ms. Patty MacDonald: The government has highlighted the importance of enhancing mental health and addictions services in the action plan for health care and the 10-year mental health and addictions strategy. At this time, we are still striving to support individuals and communities struggling with the gaps in services and supports. Whenever our branch announces new housing opening, there are approximately 30 people lined up at the door, hoping they will be one of the fortunate ones. It is our vision, however, that all the people we serve will participate in a healthy society. We strive for this through our mission to continually improve community-based mental health systems to facilitate the well-being of all.

On behalf of the individuals we serve and the board and staff of CMHA, we look forward to continued capacity enhancements and services for all people facing mental health challenges now and in the future.

The Chair (Ms. Soo Wong): Thank you. Ms. Fife, do you want to begin the questioning? Oh, Ms. Gélinas.

M^{me} France Gélinas: Thank you for presenting, Ms. MacDonald and Ms. Quigley. It's always a pleasure to see you. We have some guests from out of town. We welcome them with a warm welcome at minus 27 this morning.

Just to put it in context, you and I both know that we have homelessness in Sudbury. Can you quantify it a bit for guests who may not know our community as well as you and I?

Ms. Marion Quigley: Yes. Within the city of Sudbury, we have a homelessness issue, as most communities do in the north. We provide an Out of the Cold shelter on a temporary basis, currently until the end of March. People can come in and not have to identify,

which is different from regular shelter services, and can be intoxicated when they come into the shelter. We have supports. We have a transitional home. We have rent supplement programs, as do several other communities in the north.

I'm not exactly sure what else—

M^{me} France Gélinas: How many people would you say are homeless at any point in Sudbury?

Ms. Marion Quigley: Probably about 600. We do a count on a regular basis. Six hundred is probably high, because that's taking into account people using shelter or temporarily couch surfing, those kinds of things. We don't have the exact numbers, but around that.

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M^{me} France Gélinas: But we've had a study in our community and we count them on a regular basis—

Ms. Marion Quigley: Yes, and the count is actually coming up on January 28—next week.

M^{me} France Gélinas: Yes, but I wanted our guests to understand that homelessness is real here, and the way to solve homelessness is through housing. What would you need to make sure that those people have a home—so that the homeless find shelter and a real home to make their own?

Ms. Marion Quigley: I think there's a variety of housing options that people have to have. It's about choice for individuals. Right now we're working with several partners; you can't do housing in your communities without partnering. That's a given. You can't keep going to the government and asking for more money. We need to show that the money we're putting into health care—and housing is part of our health care. It's showing that individuals have better quality-of-life outcomes. We're having less stress on emergency services and less stress on hospital ED departments. But we need to have more rent supplements, more individual housing options and more shared living options and transitional homes.

We're very fortunate that across northern Ontario you're seeing more of these recovery homes through the government—the transformational housing money from the old homes for special care. All of those options are really making a difference.

Unfortunately, it's just that younger and younger people are becoming homeless. Older people who have addiction issues are having difficulty keeping housing because of their addictions. In Sudbury we're working with a group of partners to look at managed alcohol programs, and that's going to be developing a 15-bed harm-reduction residence.

The Chair (Ms. Soo Wong): I'm so sorry, but the time is up.

Thank you so much for presenting today.

HABITAT FOR HUMANITY ONTARIO GATEWAY NORTH

The Chair (Ms. Soo Wong): Our next witness is Habitat for Humanity Ontario Gateway North. Good morning. Welcome.

Ms. Ellen Frood: Good morning.

The Chair (Ms. Soo Wong): Can you please identify yourself and all your colleagues for Hansard purposes, as well as your position? That would be really helpful. This round of questions will be from the government side. Thank you. You may begin any time.

Ms. Ellen Frood: Thank you. I'm Ellen Frood, the CEO of Habitat for Humanity Ontario Gateway North. With me today is Laura Redman, who is our regional community manager, and Lise Rheault, who is executive director of the Habitat for Humanity Sudbury chapter of Ontario Gateway North.

I'd like to start quickly by just making one acknowledgement, and that is of Vic Fedeli, over here, who actually was one of the original founders of Habitat for Humanity in North Bay. I just want to say thank you for that, Vic. It's always nice to know that you're here at the table.

Habitat for Humanity is a non-profit organization. Our vision, very simply, is a world where everyone has a safe, decent and affordable place to live. Our mission is to mobilize volunteers and community partners in building affordable housing and promoting home ownership as a means of breaking the cycle of poverty.

What I find very interesting is that Patty, presenting from Canadian Mental Health, is talking about some of the very same issues that we come to the table with. It's about homelessness and affordable housing.

On September 1, 2014, Habitat affiliates from north Simcoe, Orillia, Muskoka, North Bay and Sudbury joined together and created the new region called Ontario Gateway North Habitat for Humanity. Joining us also, as a new chapter, was Parry Sound. We actually are moving up into the Timmins area and are speaking with some people now. That covers about 231,000 square kilometres: lots of rural areas and lots of great gaps and spaces. It's very unique—we're not an urban centre—in the work that we do.

Our homes are very simple. They're approximately 1,000 square feet. We build with all-new materials. We are a Tarion-registered home warranty builder. I always want to make sure that people understand that. We don't draw the materials out of our resources, basically, and our families contribute 500 hours of sweat equity into the building of their own homes. What that translates to, just so you know, is about three months of work. Three months of work for a single parent with a couple of kids: That's a pretty large contribution. It is not insignificant. The families don't move into their homes until such time as they have completed the sweat equity.

When I look at the agenda, I see so many similarities. I see people from health professions, from mental health, doctors, nurses and housing people. I see that the builders' association is presenting today. So it sounds to me like you have a bit of a common theme coming from all areas when you are speaking with people.

I do want to highlight what happens with—in particular, our interest is the investment in affordable housing funding. Clearly, we're appealing to you to lobby with

the feds to make sure that that source of funding is continued past 2019, actually.

In the investment in affordable housing funding, what happens is that local service managers will take the funding and administer it in their own regions. There is no one way that it is done in any region. For example, in Orillia a couple of years back, they were receiving \$50,000 per door. In Muskoka, we were receiving \$10,000 per door. In north Simcoe, they received nothing. Sudbury? Nothing.

They make decisions on the kind of housing. Some of it is the existing rental stock or creating rent subsidies. Some of it—a very small portion of it—is down payment assistance grants. We're looking to say that the difference in affordable home ownership is very dramatic.

We do have some packages that are coming to you afterwards which will include statistics, and if we have time, we'll say them. But I'll just give you some differences. In the IAH funding, contractors are actually given funding to assist with building affordable homes. It ranges from about \$50,000 up to \$150,000. Again, it depends on the area where it's coming from, but if a contractor builds an affordable home—I'm going to just use some basic round figures. I would say it's approximately \$150,000 that it might cost a contractor to build one affordable home. But if you gave Habitat for Humanity \$150,000, we would be able to build three homes. With the three homes, because we depend on the communities that we work in and the contributions of the community—donations, donated labour, sweat equity from our families. So it's very affordable.

When a contractor builds an affordable home, they are required to keep it for 20 years and manage rent and what have you. They are also able to increase that rent every year as dictated by the government through rent increases. In the case of a Habitat home, our homeowners never pay more than 25% of their income. If their income rises—we check with them every year—then their mortgage payment will go up. If their income drops, their mortgage payment will drop accordingly. So we make sure that it's always affordable.

The impact of a low-income family going from probably paying 60% to sometimes 80% of their income on rental housing to 25% is enabling them to stay in their community, to own a home, to invest more. They buy more in the community. They do all sorts of things that reinvest. So it's beyond a social return on investment.

By the end of 20 years, Habitat would have been able to build, with that first \$150,000 investment, approximately 18 homes over a 20-year period. So we have one home at \$150,000, and we have three Habitat homes at \$150,000. Over 18 years, we've built 18 homes. Those 18 homes are generating somewhere in the area of \$100,000-plus in mortgage revenue, which we are required to roll back into building more homes. Every time we build a Habitat home, we reinvest that mortgage revenue into the building of more homes. So it's a self-sustaining model in many ways.

Now, if we just said, “Give us \$150,000” and said, “See you. Bye”—well, I’m going to tell you, “No. I’d like to see \$150,000 every year,” so we can build those three homes every year and have three times the number of homes.

Again, there are many, many differences in terms of what rental does. Because the local service managers are able to control that, then we don’t really have much of a say. So, as I say, in some areas, like the Cochrane district, they have invested all of their money in rental housing and none in home ownership.

We, by the way, receive no government funding at all. What we’re hoping is that the government will look to Habitat as an exception, or affordable home builders such as Habitat. I’m not going to use us as the only one, because we’re not the only ones out there. But to say rather than streaming funding to the local service manager directly, that Habitat become a delivery partner—what that helps is to fund the continuing housing crisis. What it does, effectively, is remove a layer. So, as a partner, the funds come directly to us, and we’re able to address the priority needs of the organization, rather than tying it specifically to one home in particular.

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Other things that we’re looking for are to track and measure the outcomes of the current IAH funding. I know that each of the service managers is required to provide a report, and they’ve all done the 10-year report, but I’m not really sure who’s monitoring it in terms of community impact. I’d love to see what the impacts are, because we do know within Habitat that the home ownership model is very, very different than rental. Rental housing basically lets somebody continue to live in poverty, bottom line. A Habitat home enables somebody to build equity in a home, to have more money.

We’ve seen in our Habitat families kids going to university for the first time. We’ve seen generational poverty being broken through Habitat home ownership. We’ve seen gentrification of neighbourhoods as Habitat homes are built in some of the pretty tough-looking areas in cities. Other people are coming forward and volunteering, working with the community, and all of a sudden the other homes are planting flowers, building fences and starting to make the whole neighbourhood look nice. It is a huge gentrification. It’s a movement. It’s a community movement.

We’re looking for any surplus land that the government might have. I mean, there could be something that has been designated as parkland. I heard about one recently—something designated as parkland right beside a park. How silly is that? Let us build homes on some of these properties. If there’s real estate that we could maybe take, renovate and turn into condos, consider us. Think of us in those ways.

Embed inclusionary housing into the Planning Act. Access to housing is a basic human right. It sounds kind of silly—lots of us have never had to really think about that, right?—but again, for the low-income people and people with mental health issues that Patty referred to,

it’s always an issue, and it contributes to poor health. Continue, obviously, to advocate with the federal government for continuation of the national housing plan.

We do have, as I said, a few stats. I don’t know, Laura, if you could take a second—

The Chair (Ms. Soo Wong): This round of presentation is up, so I need to go to the government side for them to ask questions. Okay?

Ms. Ellen Frood: That’s fine.

The Chair (Ms. Soo Wong): All right. So, Ms. Hoggarth, begin the questions.

Ms. Ann Hoggarth: Thank you very much, Ellen. I want to tell you how wonderful the Habitat for Humanity program is. I watched as a single mother and her two young daughters moved into—it was a renovated spot, but it was just beautiful. Those two young girls were so excited to have their own rooms and to have their own home. It makes such a difference to their self-confidence, and the mother was just on cloud nine. It is a wonderful program. We know our Premier goes out and works with Habitat for Humanity, as do many of the MPPs, so we value this program very much.

I wanted to ask you: Do you find that the investment in affordable housing funds is helpful in achieving your organization’s objectives?

Ms. Ellen Frood: Well, not now, at the current level, because it’s regulated by local service managers, which is why we’re looking to stream it away from IAH funding and directly to Habitat and other affordable housing providers, taking a layer out so that we have consistency across the province in how those funds are used for housing in all areas.

Ms. Ann Hoggarth: Okay.

The Chair (Ms. Soo Wong): Ms. Vernile, you had a question?

Ms. Daiene Vernile: What is your preference? Tell us what it is that you would like to see.

Ms. Ellen Frood: What we’d like to see is for the investment in affordable housing and home building—the home ownership piece; not the rental stock—to flow through a different stream, directly to the housing providers, so to Habitat for Humanity in our case. Rather than sending the investment in affordable housing funding to local service managers, it would flow directly to us as a builder.

We are, as I say, a builder and a developer. If you look at us from that perspective, we actually don’t really fit in the rental-market model that most of the IAH funds are supporting.

Ms. Daiene Vernile: In August 2014, our government made a very ambitious announcement that it wants to end chronic homelessness. Share your thoughts on that, if you can.

Ms. Ellen Frood: Well, I applaud that, because it is generational and it is chronic. I truly believe that, through home ownership, we will see an end to it far more quickly than by sustaining rental models in communities. We are taking people out of geared-to-income housing already. We’re empowering them to build lives and build

communities, to have better health for their kids, better health for themselves and better job opportunities.

And we reinvest all the dollars back into the communities that we build in, so it's beyond a social return on investment; there is also a financial return on investment, as well, throughout the Habitat model.

The Chair (Ms. Soo Wong): Ms. Hoggarth has more questions. Two more minutes, that's it.

Ms. Ann Hoggarth: Would you mind explaining who gets to be a candidate? Because I always thought it was the poorest of the poor that got to be a candidate, and that is not the case. Could you explain that for us please?

Ms. Ellen Frood: I'll tell you a little story first, quickly. Millard Fuller, who's the founder of Habitat for Humanity Canada, had a group of people together and he said, "How many people in this room have never had a default on a mortgage?" There were a bunch of people who stood up, you know, pretty proud of the fact that they have never had a default. Millard Fuller looked at this group of people and he said, "Well, if you've never had a default, you're not reaching far enough into the poverty pool." So we are about low-income families and we are about creating systemic change.

Our families have to meet three criteria: One is need. The other is ability to pay. The third is willingness to partner. Willingness to partner is the 500 hours of sweat equity. Need is defined by many things. Oftentimes it's mould, mildew, health issues, a requirement for accessibility, kids with autism who need a little space of their own to go to, those kinds of things. The ability to pay is based on three years of previous income and what we look to be as a sustainability of income going forward. Will they be able to continue to support a mortgage payment as they move forward?

I want to let you know that the minimum mortgage principal amount that a family can pay is \$250. So if you assume that the property taxes are \$250, that means that that family's minimum amount that they would pay on a monthly basis would be \$500 a month.

I asked Lise here the other day, "What's rent go for approximately?" What I heard was maybe a one- or two-bedroom for \$1,100 or \$1,200 and up. When you have a three- or four-child family, people are living in very crowded quarters.

The Chair (Ms. Soo Wong): Thank you very much for your presentation today.

Ms. Ellen Frood: Thank you.

NOOJMOWIN TEG HEALTH CENTRE
SHKAGAMIK-KWE HEALTH CENTRE
N'MNINOEYAA ABORIGINAL HEALTH
ACCESS CENTRE

The Chair (Ms. Soo Wong): Our next witness group is Noojmowin Teg Health Centre. I hope I said that correctly. We'll have some witnesses come forward. I did say it properly? They're going to tell me how to properly say this name. I don't want to say it—

Interjection.

The Chair (Ms. Soo Wong): Exactly. I'm going to mess the name up.

Good morning, ladies. Welcome. Can you please identify yourself and your organization, to make sure we pronounce it correctly? Welcome. You have 10 minutes for your presentation. This round of questioning will be from the official opposition party. Welcome. You can begin any time. Thank you.

Ms. Pam Williamson: Aaniin.

Remarks in Ojibway.

Pam Williamson, Noojmowin Teg Health Centre—it's on Manitoulin Island. Thank you.

Ms. Gloria Daybutch: Good morning. Gloria Daybutch, health director for the N'Mninoeyaa Aboriginal Health Access Centre. We service First Nations people from Sudbury to Sault Ste. Marie, including the aboriginal population residing in Sault Ste. Marie.

Ms. Angela Recollet: Aaniin. Boozhoo.

Remarks in Ojibway.

My English name is Angela Recollet and I'm with the Shkagamik-Kwe Health Centre.

The three of us here today are representing the aboriginal health access centres in the province of Ontario.

Ms. Gloria Daybutch: Thank you for this great opportunity. As we know, First Nations aboriginal people in Ontario are a wounded people due to the historic trauma. I'm not going to get into the historic trauma, but we know that it's legislation, it's practices and it's policies that have left our people living with generational post-traumatic stress disorder. If we do not transform the effects of this trauma, we will continue to transmit this stress disorder within generations. As it goes from one generation to the next generation, it worsens.

We will not have improved health outcomes without relational healing that will make us whole. Wholeness comes from our culture, and we know culture is not an individual. Culture is a set pattern of behaviours, artifacts, languages and values that we hold. It's the therapy of our culture that will make us whole as a community.

The Ontario government, back in 1994, developed the aboriginal health policy. They recognized that we also have a culture of sameness. This sameness meant that we need our doctors. We need nurse practitioners. We need our physiotherapists and occupational therapists. But they also recognized that we have a culture of differences. In that, they gave us funding for our traditional healing services. Out of the aboriginal health policy, 10 AHACs were founded to address the complex impacts of colonization and intergenerational trauma and play a powerful role in the healing, the health and the wholeness of our aboriginal populations. AHACs' ability to deliver services through integration and to look at traditional counselling—addictions, mental health, spiritual health—really have been the key agents of positive change in our aboriginal First Nation communities and aboriginal populations in Ontario.

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For us, as aboriginal health access, culture is our therapy. Through this approach, AHACs have earned the trust and credibility of the populations and the people that we serve. We do this through working through collaboration to offer a wide range of programs and services that address the physical, emotional, mental and spiritual needs of aboriginal people.

As a result of this increasing demand for services and programs, the AHACs grew from 1995 to 2005. By 2005, the demand for AHAC services outpaced the funding levels. By 2007, it was clear that there was a financial crisis. Continuing to the present day, wait-lists grow and centres are struggling to keep up with our demand for services. Despite these major changes, Ontario's 10 AHACs continue to operate as community health services and spaces that offer a sense of belonging and access to aboriginal programs and services for healing and holistic health.

Ms. Pam Williamson: Just to continue on, it was really felt that it was important to give you a sense of the enormity and the uniqueness of the conditions that we are working in and the unique populations that we are serving. Just to bring you back to the executive summary, we are asking for a targeted investment of \$10.1 million.

Giving you some background, going to page 2, part two, AHACs and the ministry history: In 2011, the AHACs appealed to be transitioned from the Aboriginal Healing and Wellness Strategy to the Ministry of Health and Long-Term Care. They were moved, specifically, to the negotiations branch. Since that time, it has been noticed that the core funding received by AHACs is substantially lower than their CHC counterparts, the community health centres. CHCs serving similar numbers of clients and in similar geographic areas typically receive substantially more funding than AHACs. These models are often compared because they are both community-governed, mature, well-established models of primary care with interprofessional teams; focus on marginalized populations; and offer holistic health services beyond strictly illness treatment. The median budget for a CHC in Ontario is \$3.1 million, whereas the median budget for an AHAC in Ontario is \$2.3 million. Given the similarity in service volumes and the models of care, the core inequities facing AHACs in relation to their CHC counterparts is crippling.

In October 2014, a new development: We were moved from the ministry's negotiations branch to the primary health care branch. The goal of this change was to align the AHACs to a more appropriate team within the ministry. This move is expected to allow for improvements and consistency with reporting requirements while recognizing the uniqueness of the AHAC model.

Since the transfer in 2011, the ministry has acknowledged the AHAC underfunding issue and made repeated commitments to address inequities. They committed to conducting a funding parity review in order to address the systemic funding inequity within the sector. This

commitment, which is now four years old, has yet to materialize.

Part three, highlight of AHAC challenges: The chronic underfunding of AHACs has posed significant challenges. The first one that we want to talk about is human resources challenges. Due to underfunding, AHACs are often unable to staff their centres at appropriate levels. This means that staff in the centres face greater personal and professional burdens because they're required to do far more with far less. Others are funded through a patchwork of funding sources. AHAC staff are consistently facing the challenge of delivering high-quality holistic health care services with inadequate personnel due to insufficient funding.

Further to the lack of parity and equity in the area of compensation for health care professionals, AHACs face large shortfalls in the overall staffing types and numbers required to deliver appropriate services and programs to the aboriginal community. AHAC EDs are forced to make difficult decisions in terms of resource allocation required for staff compensation and benefits versus resources required for other operations, equipment and supplies.

Another challenge has been data support and information management, which is the one that is kind of stuck in our craw right now. The CHCs, over the course of their 40-year history, have developed a robust information management strategy and have a strong reporting infrastructure. Most CHCs have the capacity to work meaningfully with data for performance measurement, quality improvement, business intelligence and accountability purposes. CHCs were funded to move onto a common electronic medical record and have been supported by their LHIN to create and adopt a business intelligence reporting tool called BIRT. BIRT helps them ensure data quality and assurance; enables them to benchmark performance against each other and provincial averages—I'm trying to hurry; automate standard reports, including accountability reports; use data for clinical, operational and resource planning; drill down, which is important to us, for root cause performance analysis; and generally enable analytics for higher-quality services and greater efficiencies and effectiveness. Most CHCs have centre-level personnel called data management coordinators to oversee this critical work. Finally, they have shared regional decision support specialists to provide regional and provincial data support.

We are comparing ourselves to CHCs because we are in the same membership under the Association of Ontario Health Centres.

Where am I?

The Chair (Ms. Soo Wong): You have one minute.

Ms. Pam Williamson: I have one more minute.

We don't have that. That is a very critical point.

What is the impact on our programs and services? Because of these inequities, we are having to make decisions about what we are going to be funding. It's a case of effectiveness versus providing professional services that the communities are needing.

I'm going to turn it over now to—

The Chair (Ms. Soo Wong): Ms. Williamson, your time is up. I think there may be questions from the opposition party asking you to elaborate some of your points.

Mr. McNaughton, can you begin?

Mr. Monte McNaughton: Great. Thank you very much. I'm sure, with some of these questions, you'll be able to finish your presentation.

I'm just curious: Where do you think the \$10 million should come from? Within the system, do you see where there—

Ms. Angela Recollet: On behalf of the 10 AHACs, let me quickly just summarize. Ontario is a gem, if you don't realize yet, because we're the only province that has aboriginal health access centres. This is something that this province should be quite proud of. The amount of work that goes into servicing a population that is often forgotten has excelled—and excellence in health provision is provided by the 10 AHACs.

Historically, when the AHACs began, they were under the Aboriginal Healing and Wellness Strategy. This was an effort that was embarked on by leadership, both First Nation leadership—and Métis and Inuit—and leadership of the provincial government. At that time, it was under the Ministry of Community and Social Services. The AHACs, in our evolution, tried to make the transition to the Ministry of Health so that we could have the same access to equity when it came to primary health care. We are now under primary health care, the Ministry of Health and Long-Term Care, under the interprofessional health care branch. We were, in that transition, under the negotiations branch. As you can see from my colleagues, there have been strides made to meet equity, to be at par with our partner CHCs, but we're nowhere near. We're always doing far more with far less.

Ms. Gloria Daybutch: And to answer your question, I think the funding should come from the same way—the ministry is looking at reallocating from resources like hospitals and physicians and putting it into community-based programs. Where we meet the front-line people is at primary care.

Mr. Monte McNaughton: That's great. You said you've had to make some tough choices. Can you explain what impact those choices have had in your community?

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Ms. Gloria Daybutch: We've had to lay off nurse practitioners in order to fund our EMR, because we do know that the electronic world that we have to move into for more accountability, for efficiency, for client safety and for client care—so we've had to make some hard decisions because we can't do both.

Ms. Angela Recollet: So we're asked to implement the EMR system, and we've done that, with grave disparities to the community that we serve. The province has asked us to implement these services without any resources to support them, and then it goes back to impacting on the direct service delivery for the people that we're all here to support.

The Chair (Ms. Soo Wong): Mr. Wilson.

Mr. Jim Wilson: As a former Minister of Health, I came in at 1995 and I think you started up in about 1994, and it was a great program. We had the privilege of expanding it, and you are good value for money.

It's unusual for the government to ask other organizations to take from their capital account, which would be your electronic records computers and data entry and that, and dip into your health services, like nurse practitioners. Do you want to explain a little further the unfairness of that?

Ms. Angela Recollet: If you could explain it to us, that would be wonderful. So let's start there.

Mr. Jim Wilson: At least you have it on the record, because it is highly unusual that they would do that.

Ms. Pam Williamson: Our systems are pretty flat-lined, with not a level of support that we need for administration. We do really focus—the focus is on the services, and basically we get funding for services; we don't for administration. So there is more accountability being asked of us, in terms of being able to provide better data. We're very much interested, because this hasn't been an area that they have had a lot of access to before, so it is unique that we are able to provide good data or that there is a collection of aboriginal health data that can be compiled. But in asking us to be able to come up to a level with a system and without the supports, without the financial ability to do it—you have to understand, that really has been a struggle for us. We are doing really well, but it is at a cost.

Ms. Gloria Daybutch: I'd just like to add that there is no population in Ontario—AHAC EDs—who want to see the statistics go down in terms of the poor health outcomes of aboriginal people more than we do, so we want that data; we want that proof. We want to be able to say that we are making that difference in Ontario, so we do need that data information, and unfortunately something else is going to have to suffer, so we'll have to see less people. We could do a lot more if we had additional resources, but we do need that data. We know the importance of making a difference.

The Chair (Ms. Soo Wong): Ladies, thank you so much for your presentation, and thank you for being here, as well as for the written submission.

ODSP ACTION COALITION

The Chair (Ms. Soo Wong): Our next witness is the ODSP Action Coalition. While we're waiting for the next witness, can I just remind—

Interjections.

The Chair (Ms. Soo Wong): Ladies? Mr. Fedeli?

I just remind everybody in the committee that if there are any questions for the researcher, please write them down so that before we adjourn we can submit them to staff. I heard some questions from Mr. Wilson to the witnesses this morning, so if there are any questions that you want to follow up on—because this committee has the authority, as the report comes forward, that with any

outstanding questions, the staff can support those comments. Am I correct, Mr. Koch?

The Clerk of the Committee (Mr. Katch Koch): Yes.

The Chair (Ms. Soo Wong): Okay.

The next witness is the ODSP Action Coalition. Please come and join us. Welcome and good morning. As you heard earlier, you have 10 minutes for your presentation and five minutes for questions from the committee members. Please identify yourself and your position with that coalition. This round of questions will come from the third party.

Ms. Chris Cosby: Thank you. My name is Chris Cosby. I'm a community legal worker and paralegal at Sudbury Community Legal Clinic, and I've been a member of the action coalition for over 10 years.

I must apologize. I'm still convalescent from an illness over the holidays, and I may have to pause to catch my breath, though, in view of that 10 minutes, I'll try very hard not to.

The action coalition has a number of concerns, of course. I intend to address two principal ones and a corollary, with your permission. The first issue is the ODSP rates. At present, after a prolonged freeze of the rates from 1993 to 2005, when the increase was finally made—the rates were frozen. Since then, they've gone up at 3%, 2% and, more currently, 1%. Currently, for a single recipient, which is the maximum of ODSP recipients, the full monthly income, if they're receiving everything, is \$1,187.46. This includes tax credits and the Ontario Trillium Benefit, as well as full ODSP.

ODSP shelter for a single recipient is \$479. That's supposed to cover the cost of rent. The average rent for a one-bedroom apartment in Sudbury is \$741, which means that a portion of the basic needs allowance, which is \$607, has to be used for rent. This can be even worse if, as with many apartments, utilities are not fully included. The one that is normally not included is electricity, and we all know that the rates are not going down.

Now, the basic needs allowance, \$607, is supposed to cover everything but shelter—that is, food, clothing, transportation, cleaning supplies, personal supplies, seasonal costs such as winter clothing and boots, and telephones, which were deemed unessential in the 1950s and are still deemed unessential in 2015. There is no coverage for that particular utility.

The nutritious food basket cost for a single person in Sudbury is \$278 per month. Add that to a rental of \$741, on average, and it leaves \$163 for all the rest of the basic needs. How is anybody going to cover all their needs, other than food and shelter, with \$163 a month?

Now, there are a number of effects of the rates that are very difficult for people. One, for example, is that a great many people decide to share their accommodation costs, to find a two-bedroom apartment and have two people move into it, which is rational. It does mean that you have a better quality of living and a slightly better apartment. However, I have one current client who made that decision six years ago. He and a friend, who had both

found themselves evicted at the same time back in 2008, decided to move in together and share costs. He notified ODSP that he was doing so. His friend was not a recipient, but a low-income working person. Six years later, they are being told that they are spouses. Apparently, one of the reasons for that is that they've succeeded in getting on with each other for six years. If they weren't friends, it wouldn't have worked, obviously. Spouses they are not, but what's going to happen with that, I do not know.

Another, much sadder example: I was in hospital over Christmas. When I got home, I sent my daughter out to buy the supplies I needed, the various foods that I had to have while I was recuperating. Around the same time, an ODSP recipient, a friend of the gentleman who was supposed to come with me today but couldn't, was also released from the hospital. Unlike me, he would spend his money when he got it, at the beginning of the month. He got home to an apartment where all the fresh food had spoiled during his hospital stay. He was able to obtain nothing except a little from the food bank. I understand that the cause of death is that his illness recurred. He died.

The rates must be brought to some kind of reality. While there has been a recent social assistance review, the provincial government has never, under any provincial government, reviewed the adequacy of the rates in comparison to the actual cost of living. That simply has to be done. People who have lived the experience, ODSP recipients and former recipients, should be among those on any such review committee.

Another issue is that for the past two years the 1% increase to ODSP has applied only to the recipient, not to any dependent adults. Dependent adults are expected to find work, and they deal with Ontario Works rather than with ODSP. This does not take into consideration the very many cases in which a dependent adult, either a spouse or an adult child, has to stay home to look after the disabled person. In one such case, a young—well, to me, she seems young. A woman of about 42 recently lost her right leg. She suffers from cerebral palsy and diabetes, and it was the good leg that they took. Her recovery is going to be very slow and very painful. Her spouse has no option but to stay home and look after her. She requires care 24/7. How is he supposed to go and get work? And yet, their income is pretty low.

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The second issue: Please note that the ODSP income support directive 6.1 states that the basic needs benefit is intended to assist with the cost of food, clothing, transportation, personal needs and other non-shelter-related items. Directive 6.2 makes the same statement regarding shelter: assistance for shelter costs up to the maximum amounts available.

If ODSP benefits are intended to assist with the cost of living, why is almost all other income received by ODSP recipients deducted from the ODSP income? Canada Pension Plan disability deducted; Canada Pension Plan early retirement deducted; employment insurance deducted; and any support payments of any kind—they're

gone. So where is the “assist with”? The only income that is not deducted 100% is earnings.

People who can work and are on ODSP work. The idea that people choose not to work—the commonest thing I hear on intake from people coming in to open their files is, “I’d give anything if I could go back to my job but I just can’t do it anymore.” Once people are on ODSP, the majority of them—barring, perhaps, the ones over 60—do look around to see if there’s something they can do. People don’t like to be idle and they don’t like to feel worthless, and that is very much the feeling that the system gives them.

Last year the government announced that people would be permitted to retain the first \$200 that they earned. This was to encourage people to seek employment. It was a good move. We would suggest that \$200 is perhaps a bit less than should be considered as the amount exempted. So \$200 and then they get to keep 50% of the remainder of their earnings. Some manage to work their way off ODSP; most still require at least some support, but people do feel a great deal better about themselves if they earn some of their own living, and they do not need to be punished into doing so.

But what’s happening now? There has been for some time now a \$100 work-related benefit that people who are on ODSP and are working are entitled to get. In the 2014 budget, it was announced that the work-related benefit and the employment and training start-up benefit and the employment transition benefit—all three mandated benefits—are to be cancelled and, instead, there is going to be a discretionary benefit, which people will receive if their worker thinks they ought to, in a total amount of \$1,800 per year. This will go principally to people who—

The Chair (Ms. Soo Wong): Ms. Cosby, can you wrap up?

Ms. Chris Cosby: As fast as I can; okay.

Discretionary funding does not replace mandated benefits, and to say that your worker can decide whether you deserve to get a benefit—this is just not acceptable. The removal of mandated benefits has happened before—Community Start-Up.

Now, on behalf of the coalition—and this is my wrap-up—I’m requesting that the following issues be addressed in the 2015 budget: an immediate significant increase to ODSP rates, and in order to bring the actual purchasing power up to what it was in 1993, a raise of nearly 25% would be needed. Reinstate the work-related benefit instead of cancelling it for most people as of June, and make no further cuts to mandated benefits until such time as the rates have increased to adequacy. Finally, in order to ensure that the rates are indeed adequate and remain so, establish an independent panel to review the rates compared to the actual cost of living and make recommendations for rational and fair criteria to determine levels of income support. The experts on such a panel should include people with disabilities and social policy experts.

There is one other little detail. People who can work and get off ODSP do so, and I’m walking proof. I got off in 2003 and I’ll never look back, and I’ve paid off the overpayment that I acquired while working part-time for two years. I got off in spite of the program, not because of it.

The Chair (Ms. Soo Wong): Thank you very much. For this round of questions, Ms. Forster, do you want to ask the questions?

Ms. Cindy Forster: Thank you, Ms. Cosby, for being here today. I’m glad you raised the issue of the changes in benefits out of the 2013 budget and the fact that it’s the government’s intent to actually cut the \$1,200 a year that ODSP recipients get, \$100 a month, which would have assisted them in getting to work, perhaps, to buy some new clothes or to take a bus or to buy a lunch while they’re out working. But the impact of cutting that money will directly impact the \$200-a-month clawback piece. Do you see this as a detriment for people on ODSP to go out and seek work?

Ms. Chris Cosby: I think that people who are able to work will still seek work, but I think this will make things far more difficult for them. I understand that the government’s position is that part of that \$200 that they are allowed to keep can be used to replace the work-related benefit. What kind of poverty reduction strategy is that, please?

And I have lived it. Things have improved since my time—I got off, as I say, in 2003, and that was before the election—but there is no real help from ODSP itself in seeking work unless it’s something like seeking accommodation for someone who is deaf, blind—one of the more obvious disabilities, shall we say. But if you are suffering from a physical disability that is not of that type, and you’re not in a wheelchair—again, that’s one of the more obvious ones—then there’s just nothing for you.

People with mental health issues—not all people with mental health issues are able to work, but some can, and they want to. The idea that there are employers lining up, just waiting for them—I would like to meet those employers, please.

Ms. Cindy Forster: The goal of the \$200 clawback provision that the NDP negotiated with the government in that round of budget was supposed to assist people—

Ms. Chris Cosby: And it did.

Ms. Cindy Forster: —and to perhaps lift them a bit out of poverty, and it did. But the changes to these employment benefits are actually going to negate any of that.

Ms. Chris Cosby: It’s certainly going to much reduce the good effect of the \$200, which should be increased in any case. On top of that, people lose the right of appeal. If you have a mandated benefit and you’re denied it, you have a right to appeal that decision. If it’s a discretionary benefit and you are told, “No,” well, you can ask for an internal review and you usually get, “It’s still no.”

The Chair (Ms. Soo Wong): Ms. Cosby, thank you very much for your presentation. If there’s any written

submission after today, please send it to the Clerk by next Friday.

Ms. Chris Cosby: The action coalition has done a written submission. Unfortunately, due to my illness, I didn't have time—

The Chair (Ms. Soo Wong): That's okay. Thank you very much for your presentation this morning.

OLIVER PUBLISHING INC.

The Chair (Ms. Soo Wong): Our next witness is Oliver Publishing Inc., Mr. Callum James. This round of questions, sir, is from the government side. You have 10 minutes for your presentation. Please identify yourself for the Hansard. Thanks.

Mr. Callum James: My name is Callum James. I'm the vice-president of regulated professions for Oliver Publishing. Good morning.

I represent Oliver Publishing, a Toronto-based provider of Canadian financial service education. We have competed as a private business for over 30 years, providing regulatory training in financial services both in Ontario and nationally. We are one of a number of financial service educators who train aspiring professionals to obtain their licences and financial designations. Much of what we teach focuses on policies and regulations.

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We are also entrepreneurs and investors, and we're keenly aware of the economics of the marketplace. We are therefore able to understand education policies from their inception through to their ultimate economic impact in our markets.

From our unique viewpoint as educator-entrepreneurs, we would like to share some recommendations that we believe will encourage economic development, innovation and more efficient regulation. These five recommendations are not just suitable for our sector, but for any sector that relies on individual licensees who are supervised by an Ontario regulator or self-regulator.

(1) Recognize licence training for the professions as a key component of Ontario's labour strategy. We strongly agree with the minister's statement in the fall economic statement that "Investing in skills will help foster a dynamic economy, stimulate innovation and increase prosperity for all Ontarians."

Ontario invests over \$1 billion annually in employment, training and labour market programs. However, this number does not include the millions of dollars spent annually by people who enrol in regulator-approved programs to earn a professional licence. These highly motivated individuals are not asking for financial support. They are investing hundreds and even thousands of dollars of their own money to prove their readiness to future employers, or to earn the right to become self-employed.

Licensee candidates also invest their precious time. If we combine initial licence training and continuing education, the learning activity required in professional licensing represents one of the largest adult training frame-

works in the country in terms of the number of people affected and study hours. All that these learners ask is that the path leading to their new career and to best practices is as efficient and economical as possible.

The government of Ontario, through streamlined regulation and more competitive education policies, has an opportunity to help highly motivated workers transition to become professional licensees. This will lead to a higher-skilled workforce and open up many more ancillary job opportunities.

(2) Recognize the potential contribution of Ontario's knowledge workers who specialize in professional licensing education. Chapter IV of the 2014 Ontario Economic Outlook and Fiscal Review calls for the province "to invest in the skills and talents of Ontarians to help them compete globally and to meet the demands of a rapidly evolving economy."

Ontario is already a leader in Canada in terms of the number of its professional instructors, instructional designers and subject matter experts. Many of these knowledge workers are already aligned with specific professions. Ontario is also home to dozens of post-secondary educational institutions that are training specialists in adult learning, distance education and cutting-edge learning technologies. For example, as I speak, there are bachelor of education candidates in a class just 10 minutes away at Laurentian University who could well be leaders in regulated professional training.

It's essential that the role of the private sector in providing education and training programs to regulated professions be preserved and enhanced. Having third-party, regulator-approved private sector companies deliver education and training services removes the conflict between industry and standard-setting bodies. It decreases costs and administration within the regulatory bodies and it also promotes private sector job creation and innovation.

(3) Encourage regulators to establish and maintain centralized public proficiency standards while refraining from taking the role of educator. Proficiency standards for professions are essential to protect the public. They codify the knowledge, skills and other competencies that individual licensees are expected to possess or perform. Proficiency standards serve as blueprints for educators. They not only streamline regulation, they reduce the burden for businesses and learners by allowing them to focus their development efforts. The government should seek opportunities to eliminate situations where regulators rely on more than one proficiency standard or where standards are owned by vendors rather than the people of Ontario.

(4) Remove any economic incentive for regulators and self-regulators to form anti-competitive policies. Regulators should regulate their respective industries, not participate in the marketplace of their licensees. Technically, regulators and self-regulators should not profit from their policies, since they're supposed to operate on a cost-recovery basis, but it would be naive to ignore the fact that regulators are always under pressure to reduce costs and become self-funding where possible. We ask

that before regulators engage in any new revenue-generating activities, especially those that compete with the private sector, that the government first review their regulatory impact.

We acknowledge that there are legitimate reasons for regulators to ask for new fee-generating opportunities, for example, to maintain proficiency standards and exams. However, without close supervision, there is the danger that regulators will choose the most expensive and burdensome approach. Allowing competition between education vendors is the single most effective tool for ensuring efficiency in licensing education.

(5) Encourage Ontario's regulators to adopt existing best practice standards. The business of professional licence education is not unique to individual Ontario markets. In many cases, regulators in other industries across Canada, and internationally, have already pooled their collective regulatory wisdom to create standards for ensuring quality in licence education. Organizations such as the Association of Real Estate License Law Officials not only set the highest international standards for quality in licence education, but they also provide self-funding, accreditation services that encourage reciprocity and reduce the cost of regulation for members.

Ontario's regulators should avoid creating new standards in isolation from their community of peers. Our commitments under NAFTA and AIT require that the government of Ontario adopt the most widely accepted standards whenever possible. This isn't just good business; it enables Ontarians to benefit from a greater transfer of intellectual capital. It makes us smarter as a province.

Let me share a practical example that touches on the principles behind our recommendations. It's also a case where regulator gears could mesh far better with government initiatives. In the fall economic outlook, the Minister of Finance announced an important initiative to review the adequacy of the regulations and proficiency standards for all of Ontario's financial advisers and financial planners. In the meantime, FSCO has stated it will enter the financial services marketplace as an education service provider in January 2016 and exclude current education providers.

It would make sense, from our point of view, to delay FSCO's entry to the market just until the minister's expert committee has had an opportunity to provide its recommendations for a more integrated approach for financial service education. Otherwise, there is the danger that FSCO will engage in activities contrary to the recommendations of the minister's expert panel.

Finally, I would like to invite you to share the future we envision for professional licensing education. We see Ontario as a hub of instructional design excellence and as a net exporter of innovative training. This vision can only materialize in an open and fair marketplace. We believe in a future where everybody benefits: regulators, educators, and most of all, the public.

Thank you for your time and consideration.

The Chair (Ms. Soo Wong): Thank you very much. This round of questions is from the government side. Ms. Vernile, do you want to begin?

Ms. Daiene Vernile: Thank you very much, Callum. Thank you very much for coming and speaking to this committee today, and for sharing your thoughts and your concerns about your industry. In my region, Waterloo region—I'm from Kitchener Centre—we are very well familiar with the insurance industry and your concerns.

I'd like to ask you: What is your current relationship, your company's relationship, with FSCO?

Mr. Callum James: Our relationship is improving. There's a new person leading FSCO who we are in contact with, and it's a much closer relationship than it has been previously.

Ms. Daiene Vernile: And has the Financial Services Commission of Ontario been willing to meet with you? Tell us about those meetings.

Mr. Callum James: Yes, they have. There are initiatives that FSCO undertook that were largely in isolation of stakeholders like ourselves in terms of the recommendations that were made. We're having an opportunity now, at this point, to be able to talk to FSCO about these. The challenge at this point is that the train is on the track, and it's headed this way; meanwhile, there's an expert panel being struck this year to go this way. We hope that they're going to meet up, but it's very difficult to serve two purposes, two directions. We would like it to actually be combined into one, and therefore we've asked for a delay, to make sure that both the government initiative and FSCO's initiative are brought into alignment.

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Ms. Daiene Vernile: Have you been able to suggest any alternatives or any innovative solutions to this conflict?

Mr. Callum James: Yes. Actually, we have been making recommendations all the way through. We actually indicated we are prepared to pay to fund the services that are required. We have continually put forward alternative models, but all of them have been rejected so far.

Ms. Daiene Vernile: Okay, well, regulators are concerned about having everybody in Canada in step and making sure that insurance agents are adequately trained. Will you be participating in the government's mandate to review FSCO?

Mr. Callum James: Yes, we will. We actually have participated; every opportunity we've been given, we have participated in. Whether it's contributing to national standards or whether it's participating on committees, we are happy to participate.

Ms. Daiene Vernile: As you mentioned, we are continuing to consult with stakeholders, so I hope you will be a part of that.

Mr. Callum James: I will look forward to it.

The Chair (Ms. Soo Wong): Two more minutes. Does anybody have a question? Ms. Albanese.

Mrs. Laura Albanese: I simply would like to thank you for presenting to the committee today and for making

us learn more about this aspect that is quite important, especially as we look to the future of Ontario, as you pointed out.

As my colleague MPP Vernile said, I would encourage you as much as possible to be part of any possibility—FSCO review or any other committee—and continue participating and bringing forward your views and your concerns.

Mr. Callum James: Thank you.

The Chair (Ms. Soo Wong): Thank you very much, sir.

ONTARIO MEDICAL ASSOCIATION, DISTRICT 9

The Chair (Ms. Soo Wong): Our next witness is the Ontario Medical Association, district 9: Dr. Stewart. Good morning, Dr. Stewart. Can you identify yourself and your colleague for Hansard purposes? You have 10 minutes for your presentation. This round of questions will be from the official opposition party. Welcome.

Dr. James Stewart: Excellent. Thank you, Ms. Chair. This is Mr. Richard Rodrigue, who is a regional manager with the Ontario Medical Association responsible for districts 9 and 10.

Good morning; thank you for the introduction. My name is James Stewart. I am a family and emergency physician from North Bay, Ontario. I operate a family practice. I do corrections medicine and work with the North Bay Regional Health Centre providing emergency services. I also function as an assistant professor with the Northern Ontario School of Medicine.

I'm very pleased to be able to come and speak to you today. We need to discuss the importance of a well-funded and sustainable health care system in Ontario and specifically for Sudbury and the surrounding communities.

As you may know, recently, following months of negotiations, the Ontario Medical Association was dealt a take-it-or-leave-it offer from the government of Ontario. They threatened that if the OMA didn't agree with their cuts, they would move ahead without us and cut even deeper. The OMA said no, and that is what the government did; they cut even deeper. Over the last 12 years, as a profession, we've tried to work in partnership with the government, and this is not a partnership.

In my role as the director for district 9, I represent the Sudbury region. I also represent 34,000 doctors and medical students through the province.

Today, I am calling on the government of Ontario to adequately fund our health care system, which is facing pressures from growth in patient numbers and needs. I want to take a few minutes to explain why the decision is so critical to understand, as we believe the government's recent actions have serious implications for our patients and our families across this province.

One of the building blocks of a healthy economy is clearly a healthy population. The fact is, Ontario's population is growing and aging. But the government has de-

cided to fund less than half—less than half—of the additional care that will be needed. They don't even want to pay for new doctors to treat existing patients who are struggling to access the care they need. This is not right, and we cannot support this.

By the Ministry of Health's own estimates, demand for medical care will grow by at least 2.7% per year—that's \$307 million per year—due to population growth in Ontario, an aging population that needs more complex care and the need for new doctors to treat existing patients who currently can't get timely access to the care they need, yet the government is only willing to fund 1.25%, or \$142 million. Big discrepancy: 2.7% is the need, 1.25% is the fund. Looking back over the past five years, historically, growth for medical services has increased by an average of 3% per year.

Why has this happened? It's not because doctors have gone out and advertised for more patients. Let me repeat why it is: It's happening because our population is growing and aging. More care and more complex treatment is needed because of the growing and aging, and more care and complex treatment is being delivered across the province. And the government needs to know this is increasing—and also does know that it is increasing.

Every year, 140,000 new patients come into our health care system in Ontario. To put that into perspective, that's roughly the population of Prince Edward Island coming in each year.

The issues facing the health care system in Ontario are amplified here in the north. The North East LHIN, which includes Sudbury, has a higher than normal provincial percentage of seniors, daily smokers and adults who are obese. With each of those factors comes a much higher prevalence of chronic diseases such as diabetes, high blood pressure and arthritis. These chronic conditions place a high burden on the health care system and reduce the quality of life for those who suffer with these conditions.

I mention this because recent physician service agreements in British Columbia and Alberta demonstrate how those governments have accounted for the changing needs of their populations and have made the changes necessary to fund the required system growth. However, in Ontario the government is shirking its responsibility to fund the medical needs of its population. That is especially the case given circumstances in the north.

New doctors are needed right here in Sudbury. The reality is that Sudbury currently has approximately 19,000 unattached patients without access to primary care, including children and the elderly. That number increases to 57,000 once we start looking throughout the North East LHIN. With the government's imposed agreement, the situation is going to get worse.

Relative to the province, the North East LHIN also has a higher percentage of First Nations people. These cuts affect funding for aboriginal health access centres, rural medical incentives, and the ability to recruit and retain doctors in northern and remote communities, all of which will impact patient care for First Nations people in Sud-

bury, the North East LHIN, the North West LHIN and all the communities within.

Ontario's doctors offered the government a two-year freeze on our fees. This stands today. This means no increase in the fee paid for physician services, from a standard assessment with your family doctor through to any of the most complex of surgeries. All the OMA is asking is that the government accept its responsibility to fund new doctors to treat the patients we have today and provide the extra care needed to treat Ontario's growing and aging population.

Ontario's doctors understand and acknowledge the economic challenges facing the government. A freeze on fees and a government commitment to fund growth are the right things to do in today's economic climate. In 2012, Ontario doctors accepted a 5% cut in fees. In doing so, we also helped save \$850 million in the system—\$850 million. We did this then because we could make the cuts in places that would have minimal impact on patients. Now, less than three years later, the government wants to cut another 4% from medical services. This pattern is clearly unsustainable. It is unrealistic if we want the best care for our patients and if we want the best doctors available in Ontario. This pattern is a race to the bottom. It's not right, and we cannot support it as an association and a profession.

Moreover, it is important to acknowledge that OHIP billings are calculated before expenses. For example, doctors' rent for office space, staff salaries, office and medical supplies, and equipment are paid for by the physician through OHIP billings. Doctors are also employers. In fact, each doctor employs roughly four full-time people in their community. In all, we employ about 96,000 people in the province, in full-time jobs. The government's attempt to demonize doctors by equating billings with salary is quite unfair and quite underhanded.

The government cuts are real. Last week, the government took a 180-degree turn in the wrong direction. I personally was astonished to see that the biggest part of the cuts the government is imposing is focused squarely on family practice, specifically at our group- and team-based models of delivering primary care.

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These are the models that we have spent the last 10 to 12 years on building, to develop and improve access and quality of care for Ontarians. Now the government is dismantling them, taking us back to a time when millions of patients couldn't find a family doctor, students did not want to become family doctors and doctors were leaving the province in droves. When government imposes these terms, doctors will do everything we can to limit the impact that these cuts will have on our patients, but make no mistake about it: There will be negative impacts to patients in Ontario.

Our message is very clear: We want the government of Ontario to fulfill its obligation and responsibility to Ontarians and fund the unmet needs of our current population and the natural growth to provide care to our aging

and growing population. Patients in Ontario, and especially in the north, deserve this from our government.

I'd be happy to take any questions.

The Chair (Ms. Soo Wong): Thank you, Dr. Stewart. This round of questions is for the Conservatives. Mr. Wilson is going to begin the questioning.

Mr. Jim Wilson: Yes, thank you, Dr. Stewart, and thank you to the Ontario Medical Association for your brief.

As a former health minister, I think people find it hard to believe that any government would not fund new doctors, which would be against the Canada Health Act, and that people won't be served because of the stubbornness of the government, but you're saying exactly that. What are they going to do, cap doctors? Because you're often accused of ramping up the number of patients you see to make up for income shortfalls. So is the government proposing to cap how many patients you can see, and are we going to have unemployed doctors in the province?

Dr. James Stewart: There are two questions in there. We have unemployed doctors in the province, currently, and it isn't specifically a cap in the sense that people would know as caps, but the funding requirements of 2.7% to meet the growing and aging population in these populations—the government is underfunding that by 1.45% in that they are only going to provide 1.25%. There is obviously a differential between those two.

In addition to a 4% reduction in fees, the government's position has been that that will be the limit on the physician services budget. Anything that goes beyond that will be a recovery at year 3 against the physicians.

Mr. Jim Wilson: So you'll be sending a cheque back if you go over?

Dr. James Stewart: We'll be sending a cheque back. And the flip side, potentially, to this is that, wanting to be partners in the health care system, we have very little control over what the spending will be on some of those initiatives that may develop over the next three years that would be outside of physician control, in addition to growth and utilization—

Mr. Jim Wilson: You mentioned the north; you mentioned Sudbury already has access problems—access to physicians. That will get worse and people will wait longer. Will that be some of the effect?

Dr. James Stewart: When you're not meeting the needs of the patient population and the growing and aging population, and you're setting up detractors for people to participate in primary care and family medicine and/or eliminating programs that we've worked so hard to try to develop to improve access, the natural outcome could be that.

Mr. Jim Wilson: Thank you. I think Vic's got a question.

Mr. Victor Fedeli: Thank you, Dr. Stewart, for being here today. You talked about the 19,000 unattached patients in Sudbury. I've understood the number in North Bay to be 12,000. Do you have any insight into that number?

Dr. James Stewart: Thank you, Mr. Fedeli. It was about 10,000 about three or four years ago, when we were working on the recruitment initiatives within North Bay. Since that time, we've lost three physicians who had fairly substantial practices to retirement, to passing away and to illness, that sort of stuff. So I would imagine that we're probably at that number or a bit beyond.

Mr. Victor Fedeli: In your opening statement, you talked about the government adequately funding our health care system, facing pressures from growing patient needs. How does the firing of 40 health care practitioners in Sault Ste. Marie yesterday and 75 health care practitioners in North Bay this month achieve that goal?

Dr. James Stewart: I wouldn't know. You're much more in tune with what's gone on in the last day or two in those areas, so I couldn't answer that.

Mr. Victor Fedeli: We've often talked to seniors who are suffering because physiotherapy cuts in homes—have gone from 100 sessions of physiotherapy down to four sessions a year. So if you have a hip or a knee surgery, and you're now limited to one hour a week for four weeks, those seem to be some of the real cuts that are being made—diabetes testing strips that have been cut, or cataract surgeries that were cut 39 days last year.

Are you aware of any of the other cuts that have been affecting seniors and families throughout the north specifically?

Dr. James Stewart: Certainly those would be some of the ones that were most obvious.

I can't think of other significant ones off the top. In the proposals that the government is looking to legislate or is looking to impose unilaterally, we will see some things around access through family health teams—physicians, that they're able to participate in group models that work in team-based care, which is now starting to show that it has some greater benefit to patient care in the community. So I anticipate—although I can't speak on the past—in the future, we may see some of that.

The Chair (Ms. Soo Wong): Thank you so much for your presentation today.

Dr. James Stewart: Thank you.

ONTARIO NURSES' ASSOCIATION

The Chair (Ms. Soo Wong): Our next witness is the Ontario Nurses' Association: Pamela Mancuso. Welcome. Good morning, Pamela, can you identify yourself as well as your position with the Ontario Nurses' Association for Hansard? You have 10 minutes for your presentation. This round of questions will be from the official third party. Thank you.

Ms. Pamela Mancuso: Thank you and good morning. I'm Pamela Mancuso. I'm a registered nurse and I'm vice-president for region 1, which covers from North Bay all the way to the Manitoba border, of the Ontario Nurses' Association, known as ONA.

I've been a registered nurse for—actually, more than 27 years; it's almost 30. I've worked in a variety of roles, including front-line nurse and clinical instructor at the

college. My last position before coming on the union was district stroke coordinator out of the Sault Area Hospital.

ONA is Canada's largest nursing union, representing 60,000 registered nurses and allied health professionals, as well as 14,000 nursing student affiliates, providing care in hospitals, long-term-care facilities, public health, community clinics and industry. I'm here today to speak on behalf of the registered nurses who are extremely concerned about the announced cuts to RN positions in 2015 in northern hospitals and the resulting impact on quality care for our patients.

As advocates for our patients, registered nurses must speak up and bring this information on the impact of underfunding our hospitals to light. The public has the right to know what is going on with respect to the care they will lose as a result of nursing cuts in their local hospitals. Overall, Ontario has 71 RNs per 10,000 population, compared to 83.6 RNs per 10,000 in the rest of Canada. This ratio is the second-lowest in Canada. This creates a significant gap in RN care for Ontarians who are in the hospital.

This morning, I want to focus my remarks on why we need more registered nurses in our hospitals to meet the increased care needs of our complex and unstable patients. While the need for more RNs in our hospitals is growing, hospitals are cutting RN positions, which can be traced directly to years of frozen base operating funding and the current funding model in place.

Right here in Sudbury, Health Sciences North has notified us that we will be losing as many as 34 full-time-equivalent RN positions. The plan is to eliminate full-time positions in critical care, mental health, surgical, and emergency. Other areas of the hospital will see reductions in hours, such as the birthing centre and the OR. Bed closures in the surgical unit will mean that additional positions will be affected as well.

Further cuts announced or expected in northern hospitals include 20 RN positions in the Sault Area Hospital, as the revenue of \$5.5 million is less than planned, including \$1 million in renal endoscopy reductions, and funding for hips and knees reduced by 9% and 4.5%. The hospital is planning \$10 million less in funding for next year and likely more cuts. The elimination of 20 RN positions will affect patient care areas such as medical, rehab, renal and complex continuing care.

Ten RN positions at Timmins and District Hospital are to be eliminated to address an \$11-million deficit for this year and next. In addition to closing 26 beds, affected patient care areas will include chronic care, dialysis, obstetrics, intensive care and emergency. Out-patient rehab services have already been significantly reduced since November 2014. Because Geraldton District Hospital no longer offers obstetrical services, all expectant moms must now travel to Thunder Bay from 37 weeks of gestation until delivery. This does cause considerable financial hardship, and some of them take the risk of actually having an emergency delivery done there. There is no operating room, and an emergency would likely mean an extremely negative impact on mom and baby.

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Lake of the Woods District Hospital in Kenora has announced that it is facing a \$1.2-million cut to their budget, which is a 6% reduction, so we expect that we'll hear word of layoffs there, as well. North Bay Regional Health Centre has announced cuts of 75 positions, including 16 RN positions. Temiskaming Hospital in New Liskeard has announced cuts to address a \$1.4-million deficit this year; as a result, 15 positions will be eliminated throughout the hospital, with six of those being full-time RNs.

While hospitals are cutting RN care, there are numbers of studies that clearly show the strong relationship between higher RN staffing levels in hospital and improved patient outcomes. Studies also show that decreasing RN staffing has a negative impact on patient health outcomes. Higher levels of RN staffing in hospitals are essential to care for patients with complex and unstable conditions, as the previous speaker spoke about. In the north, we have very many complex senior patients in this population. Adding one patient to a nurse's average caseload in acute-care hospitals is associated with a 7% increase in complications, a 7% increase in patient mortality.

Higher RN staffing is associated with a range of better patient outcomes, reduced hospital-acquired pneumonia, nosocomial bloodstream infections and other complications, and reduced length of stay. And yet in Ontario, three years of frozen base operating funding for hospitals has resulted in the elimination of millions of hours of RN care. Since January 2012, 1,700 RN positions have been deleted—we track all our jobs, just so you know. This means that more than three million hours of nursing care have been eliminated from our communities in this period, completely ignoring the evidence linking RN care to improved patient health outcomes.

I can tell you that studies show that adding RN staffing achieves significant cost savings, as well, by reducing adverse outcomes, lengths of stays and by avoiding patients' deaths. Additional RN staffing mitigates complications through early intervention and leads to more rapid patient recovery, saving lives along the way. Funding at less than the combined rate of inflation and population growth has put enormous pressure on hospitals to adopt short-sighted and risky measures to balance their budgets, including the elimination of RN positions, not replacing RN positions when they become vacant and substituting RN positions with less-qualified staffing.

As a result, ONA is calling on the government to restore hospital base operating funding to at least cover the cost of inflation and population growth. We are calling for a multi-year nursing human resources plan, to make significant progress in reducing the gap in the RN-to-population ratio between Ontario and the rest of Canada. Registered nurses at the Sault Area Hospital, for example, had to speak out previously about their ability to care for emergency patients to the standards that are required of them by their regulatory college, because of their shortage of staff.

We recognize that the hospitals are trying to operate under serious fiscal restraint, but as registered nurses we have to speak out on behalf of our clients and try to provide the best and safest care for our patients. The findings from a study using a nursing outcomes database, for example, show that it takes not only the right number of nursing staff for every shift to ensure safe patient care, but also the right skill mix of expertise and experience. And yet, RNs' share of nursing employment in Ontario has been falling consistently over time, from 77.4% in 2004 to 70.8% in 2014. This is a troublesome trend given the extensive research on the clear benefits of higher RN staffing on better patient outcomes.

We know from research literature that fewer RNs and fewer RN hours will result in more patient complications and higher mortality rates for patients. Short-sighted funding decisions and budget staffing reductions are costing the health system in dollars and morbidity. It is time for the Ontario government to step up for hospital patients in northern Ontario. Increased base operational funding for hospitals is essential to properly staff to meet the care needs of our acute patients and a comprehensive human resources plan for RNs in our hospitals must be developed. Thank you.

The Chair (Ms. Soo Wong): Thank you for your presentation. Ms. Gélinas? Oh, Ms. Fife is going to ask the questions.

Ms. Catherine Fife: Thank you very much. Thank you very much, Pamela, for the presentation. One of my questions was actually going to be around the flattening of hospital budgets for four years and what the impact of that is, but I think you were very articulate in explaining the negative impacts on patient care. I think, actually, all of us are probably seeing that in our respective ridings.

Recently, though, in the media, the issue of nurses' safety has come up, because, as you point out, patient care is becoming very complex. Work hours and shift work contribute to that. What should the government do in this budget to help keep nurses safe so that they can actually care for patients in the province of Ontario?

Ms. Pamela Mancuso: It would be nice to have security at every hospital, but we know that that's not possible. There are many small hospitals that would never be able to fiscally afford that. But I think that part of the problem is that a lot of our client loads that have been released from other facilities—and not really properly followed—come into the hospitals, and they're very volatile and unstable. If you don't have a nurse right at the door to do that assessment, then they slip through the cracks and then something happens, and the escalation occurs.

If you look in the paper you'll see that many, many of our nurses are being attacked, stabbed, and we under-report—we know that—so the numbers are probably five or six times higher than what is being reported. At the end of the day, a lot of nurses think it's part of their job. The patients are sick; it's not their fault, and they don't report. But it's nobody's job to go and be injured or not

come home, as we've had several of our nurses do—not come home.

So that's a bigger question. Right now, ONA's concern is trying to get the right skill mix back into the hospitals and making sure that if this patient requires an RN, then they have an RN. That should be what we are looking at—look at the base funding, look at what our population growth is and what the complex needs of the patients are, and have the right skill mix. That's what we're there for.

Ms. Catherine Fife: So there's a recurring theme here this morning around the overall health of the community and how it impacts—and many of those complex needs end up in a hospital instead of, for instance, home care, if you will. I know that the government, of course, is in the process of reviewing home care and the role of CCACs in that sort of mix. You also represent care coordinators in these 10 CCACs. Right?

Ms. Pamela Mancuso: Yes, we do.

Ms. Catherine Fife: So do you think that direct public home care delivery through CCACs would allow for improvement in continuity of care for patients? Because we're going to have to find some creative options to alleviate the pressure on hospitals in this province.

Ms. Pamela Mancuso: Well, they certainly help coordinate it because there aren't enough nurses in a hospital to coordinate anything; they can barely get through their shift. So we need to have somebody coordinating the care, and that needs to be someone who understands the care. But I will tell you that a lot of communities have cut so many services that there isn't a lot of care to coordinate out there anyway. So, at the end of the day, we're robbing Peter to pay Paul instead of having a very intensive review of what is required.

Looking at the North East and North West LHINs, they have extensive elderly clients with multiple complex needs. We need to be looking at those types of things. The services are vastly different across the province, as I've found out.

Ms. Catherine Fife: Yes. We heard the same thing in Fort Frances yesterday as well. I think, actually, that's why it's so good that this committee travels to the north—

Ms. Pamela Mancuso: Thank you.

Ms. Catherine Fife: —because the issues are intensifying up here because of a lack of resources and accessibility.

Ms. Pamela Mancuso: I'll give you an example: My husband just had to go to Sunnybrook to get a referral. We live in Sault Ste. Marie.

Ms. Catherine Fife: And he had to go to Toronto to get a referral?

Ms. Pamela Mancuso: He had to go to Toronto to get that referral.

Ms. Catherine Fife: Because that makes a lot of sense.

Ms. Pamela Mancuso: It doesn't make sense to us.

Ms. Catherine Fife: No.

That's it for me. How much more time?

The Chair (Ms. Soo Wong): One more minute. Ms. Forster?

M^{me} France Gélinas: No, I will take it.

I certainly appreciate very much you coming in today. When you say that as one more patient is added to your caseload, 7% more complication and mortality—give me an example. What does that mean?

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Ms. Pamela Mancuso: Okay. So if you were a nurse in renal dialysis, your patient load could be three patients to one. Renal dialysis patients are multi-complex patients and you're dialyzing them. Quite often they code. If you add one more patient to that load, it's putting all those patients in serious risk. Or if you're a critical care nurse and you're 2 to 1, one of them could be a ventilator, the other one's usually very, very sick. You're not in ICU unless you are very ill. Sometimes they add one more patient: "It's not as heavy but you can take it. Four more hours."

This is what we're saying. You have to look at the complexity of the patients and not just assume that, "We'll just add one more to your caseload."

M^{me} France Gélinas: On a regular medical floor, what would be the ratio?

Ms. Pamela Mancuso: Every model is different in every hospital. They try different models to try to reduce their costs, but if you're on a heavy medical floor, a nurse may have four patients. Two of them could be stroke patients. On top of that, you'll have two other patients—could be a hip, could be something else. She's responsible for everything for that patient: meds, bathing, making sure everything is done, tests, getting them transferred, doctors, everything. That's her responsibility. If you add one more to her—she's only there for eight hours. How much more can you do? That's reality.

The Chair (Ms. Soo Wong): Ms. Mancuso, thank you very much for your presentation. If you have any more written submissions, you can send them to the Clerk.

Ms. Pamela Mancuso: There will be a written submission by the Ontario nurses in Toronto.

The Chair (Ms. Soo Wong): Thank you.

SUDBURY AND DISTRICT HOME BUILDERS' ASSOCIATION

The Chair (Ms. Soo Wong): Our next witness is the Sudbury and District Home Builders' Association. Welcome. Ms. Higgs, you have 10 minutes for your presentation. This round of questioning will be from the government side. Please identify yourself for Hansard, and your position with your home builders' association. Thank you.

Ms. Laura Higgs: Thank you. Ms. Chairman, members of the committee, good morning. My name is Laura Higgs and I'm the executive officer of the Sudbury and District Home Builders' Association. Thank you all for making the trip to Sudbury and giving us an opportunity to speak on the upcoming budget.

The Sudbury and District Home Builders' Association is proudly affiliated with both the Ontario and Canadian home builders' associations. We are the voice of the new housing, land development and professional renovation industry in Greater Sudbury. Our association has 95 member companies.

Here in Sudbury, the residential construction industry is vital to our local community, as it is in every community. We support over 3,000 jobs in the new housing and renovation sectors, paying \$165 million in wages. The total annual investment value of the sector represents \$345 million across the Greater Sudbury area. Similar to many communities across our province, we are experiencing a slowdown in our market; however, our renovators seem to be doing a little better.

Throughout Ontario, the residential construction industry supports over 322,000 jobs, paying over \$17 billion in wages and contributing over \$43 billion to the provincial economy. We not only support jobs in construction in the skilled trades on-site, but also jobs for planners, engineers, architects and suppliers of construction material, whether from manufacturing to the retail end. I think it's important to note that our industry differs from the mining or automotive sectors in that we don't just operate in a few specific communities in Ontario, but that we support jobs and investments in communities throughout Ontario, from Sudbury and northern Ontario to Fort Erie, and from Windsor to Ottawa. We really are an Ontario-wide industry.

While I mention these stats and figures, it's important to keep in mind that we are talking about people's homes, which represent a roof over a family's head, and is often the single largest investment a family will make.

Our industry remains concerned about the broader economy as some sectors have not fully recovered from the recession. The mining sector, for example, has experienced layoffs and reorganization; some retail and grocery stores have closed; and many of our members have delayed or cancelled projects. When consumers are not confident, when they don't have a job or lack job security, they don't buy a new home or renovate their existing home. That is why my deputation today is going to focus on infrastructure, job creation and the underground economy.

The Sudbury and District Home Builders' Association strongly supports a coordinated infrastructure investment towards strategic projects, based on clearly defined priorities. We believe that the expansion of core infrastructure—that means roads, bridges, transit, and water and waste water—in support of a growing economy and a growing population should be a key priority for the provincial government.

It is also important to ensure that the province has in place a long-term asset management plan to ensure ongoing maintenance and a state of good repair for Ontario's existing infrastructure. We also believe that the housing affordability choice should be recognized and measured as one of the priority outcomes of the public infrastructure investment.

Investments made by the public sector encourage additional private sector investment and job creation for our members. We acknowledge the investment in Highway 69 south and the recent announcement of support for the Maley Drive project. These are great examples of partnerships between the public and private sectors that produce dividends through new jobs, economic growth and stability.

Greater Sudbury is 3,267 square kilometres in area, making it geographically the largest municipality in Ontario and the second largest in Canada. That is a lot of infrastructure to build and maintain and a challenge to finance for a city of 160,000 people in northern Ontario. As you are aware, local infrastructure projects are in part funded through development charges. These charges have increased in Greater Sudbury from about \$3,000 in 2009 to just under \$15,000 in 2014. That's for a single-family home. Over the next four years, these rates will increase yet again to just over \$17,000. It is an unfair burden to new homeowners who finance infrastructure through their mortgages, and it negatively affects affordability, perhaps even preventing young families from purchasing a new home.

We recommend that infrastructure investment be more strongly coordinated among all levels of government. This would provide greater stability and predictability for what projects are going to occur and when. This will allow for the private sector to plan our projects and target our investments to better align with new and upgraded public infrastructure facilities.

The government has committed to an ambitious 10-year, \$130-billion infrastructure plan, with \$14 billion of that targeted towards transportation improvements outside of the GTA. We are looking forward to Sudbury receiving its fair share. We recommend a process by which projects meet criteria that will enhance productivity and support economic growth identified as priorities and, finally, that the government outline a schedule to provide certainty for citizens and businesses in Sudbury. This will help our community to become an investment-ready community. We need to ensure greater alignment and collaboration between the public and private sectors in terms of investment and planning policies to pre-zone and pre-designate for growth.

The home builders' association here in Sudbury also represents the professional renovation sector within the region. Our members must abide by a code of ethics, and we promote and direct our consumers to our national association's Get it in Writing! campaign. Having a written contract gives you control over your renovation or construction project and is a good way to protect yourself and ensure long-term satisfaction. While you can never guarantee perfection, we tell consumers that they can take control of a project with a written contract and use available information and tools to put them firmly in the driver's seat.

I'd like to quote Finance Minister Charles Sousa's fall economic update: "When businesses don't pay their fair share" of taxes "they disadvantage other businesses that

do follow the rules.” Often businesses that do not pay taxes also ignore rules that protect employees and ensure that products are safe and reliable.

I'd like to highlight that the renovation sector isn't a small part of the provincial economy. It represents over \$23 billion in activity across Ontario, which is even larger than the new home building sector. We believe that it is time to take serious action to combat the underground cash renovation economy. Through our association, the Ontario Home Builders' Association, we would like to work with the government on an underground economy task force.

I'd like to share a couple of ideas with you. A consumer-focused tax credit similar to the expired federal government's home renovation tax credit would be an excellent tool to combat the problem of the cash economy in the renovation sector. I say this because it isn't just the businesses that are the problem. Many consumers seek out cash deals to avoid taxes. It does take two to tango, and I think we need to incent good behaviour by offering a tax credit to those who collect receipts from legitimate businesses and to submit those to the Canada Revenue Agency. Again, I'm sure most people in this room know someone who took advantage of the tax credit or perhaps they themselves did. It was a great tool to encourage the use of legitimate businesses, and on the back end, it provides an information-sharing opportunity, through which receipts can be collected through the CRA.

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This brings us to our second recommendation: The government should examine additional measures that would enable better information-sharing across government ministries, agencies and jurisdictions to detect and target underground builders and renovators. I can tell you that the WSIB has an information-sharing agreement with the CRA, Canada Revenue Agency, and we need more of this type of information-sharing between government agencies. We need a stronger system in which information collected by the revenue agency and other agencies can be cross-referenced to catch underground operators. The collection of more renovation receipts through a reno tax credit is a great first step to assist in this initiative.

Lastly, we would like the government to consider province-wide campaigns to raise public awareness of the negative impact of the underground economy in the home renovation industry. In fact, this isn't just about government revenue; this is about consumer liability and risk, as well as the health and safety of workers and the potential for shoddy workmanship. I'd encourage all of you to visit our website, sudburyhomebuilders.com. We have a section on the underground economy with a very well-done advertisement put out by the CRA two years ago in Atlantic Canada, warning consumers about the perils of hiring a renovator to work for cash. Please check out the ad. It would be very helpful if the province would be able to work with us to provide a similar campaign.

In closing, I'd like to thank all of you for your attention and reiterate our core themes:

We support continued provincial investment in core infrastructure.

We support a permanent home renovation tax credit to combat the underground economy.

We support greater information-sharing agreements to combat the underground economy.

We are seeking a role on any provincial task forces or stakeholder groups to look at the underground economy.

Thank you, and I look forward to any questions you may have.

The Chair (Ms. Soo Wong): Right. From the government side, Ms. Albanese, do you want to begin the questions?

Mrs. Laura Albanese: Sure. Thank you very much for your presentation and for highlighting the work that your organization does throughout the province, both on the builders' side and on the renovators' side.

I guess the first thing I would like to mention: I took note of what you were saying in regard to the underground economy. I will be tasked this year by the Minister of Finance to conduct a consultation and produce a report to the minister later on this year on the underground economy—or revenue integrity, as we call it. So I appreciate the ideas that you have, and I do understand that you would like to have a role in that, but I don't know if we will have a task force as of yet. We will keep you updated, and I will take a look at your website as well.

Ms. Laura Higgs: Thank you.

Mrs. Laura Albanese: I understand that you're also working with Tarion to identify some loopholes in—

Ms. Laura Higgs: Yes, we are. It may be true across northeastern Ontario, but definitely in the Sudbury area, when we look at permits for new construction homes, just a little more than 40% of those permits are issued to private individuals who intend to build their own home. That's absolutely fabulous, nobody has a problem with somebody building their own home, but we don't believe that that many people know how to build their own home, so we're concerned that that work is being done by part of the underground economy as well. So we do work with Tarion. We've been able to facilitate information-sharing between municipalities and Tarion so they share that information about all permits that are issued. Further, we're working with Tarion to perhaps in the future drill down more in terms of those private permits and be able to identify repeat offenders.

Mrs. Laura Albanese: Okay, that's good. I had just one more question. I know that the home builders' association has been very vocal in the past in regard to the College of Trades. As you know, the government has appointed Tony Dean to review that. What have you been hearing from your members?

Ms. Laura Higgs: Well, the Sudbury home builders' association wrote a letter directly to Mr. Dean requesting that he come to Sudbury so that we might be able to present our feelings on that. Certainly, it's always a good idea

to educate and recruit people to work in skilled trades in our province and, indeed, in our country. I think we support that.

Our concerns, however, with the College of Trades centre around the increased regulation and bureaucracy within all of the trades in that sector. Furthermore, we are very concerned that it further pushes the public to engage in the underground economy. So while there may be some pluses there, there are some minuses as well.

The Chair (Ms. Soo Wong): I heard that Ms. Vernile wants a question. There's one minute left.

Ms. Daiene Vernile: Do you want one more, though?

Mrs. Laura Albanese: I just wanted to know the comments about the review: That has been welcomed by your members?

Ms. Laura Higgs: Indeed. It was very well welcomed by our members, yes.

The Chair (Ms. Soo Wong): One minute.

Ms. Daiene Vernile: Thank you very much, Laura. I have a very deep and abiding respect for your industry. My father owned a small construction company in Toronto for many years. When I say "small," it was just him. I spent many happy evenings and weekends working with him rather than staying at home and cleaning the house with my mom.

Ms. Laura Higgs: Lucky you.

Ms. Daiene Vernile: I would like you to talk a little bit more about this issue of the underground economy, because it's very pervasive. Some people might think that you're getting a job if you're getting Fast Louie down the street to build your deck rather than hiring somebody who's paying taxes. How great of a problem is this?

Ms. Laura Higgs: It's a great problem. It's a great problem on many levels within our province. First of all, that person who's building the deck maybe isn't licensed to be a renovator in our city of Sudbury, let's say. They probably don't have business liability insurance; they probably aren't paying their WSIB, so they're not a firm that's enrolled in the WSIB, which means, at the end of the day—and there are lots of technicalities here, but at the end of the day, they are the employee of the homeowner. If something happens to those individuals or that individual while they're there, that homeowner is at significant liability, and they are not aware that they're at this liability.

The other aspect that's more of a municipal factor is that generally, permits are not issued for that type of work. In Sudbury, a permit is needed to build a deck. When things are built, even if you do something structural in your house, and permits are not done, that costs the homeowner; it costs the province—

The Chair (Ms. Soo Wong): Ms. Higgs, can you wind up? Because we're almost there. We've finished the time.

Ms. Laura Higgs: I think at the end of the day, it puts the homeowner and the consumer at risk.

The Chair (Ms. Soo Wong): Thank you for your presentation. I noticed that you didn't submit anything in

writing. Can you share with us what you just presented to the committee and leave it with the Clerk?

Ms. Laura Higgs: I can, yes.

The Chair (Ms. Soo Wong): That would be great. Thank you very much for your presentation.

Ms. Laura Higgs: Thank you.

DR. JAIRUS QUESNELE

The Chair (Ms. Soo Wong): Our next witness is Jairus—is it Quesnele? I hope I didn't say it wrong. Welcome. Can you please identify yourself? You have 10 minutes for your presentation. This round of questions will be from the official opposition party. Thank you.

Dr. Jairus Quesnele: My name is Jairus Quesnele. I'm a local chiropractor and a clinical science specialist. I just relocated back to Sudbury. I was faculty at the Canadian Memorial Chiropractic College in Toronto and also was a chiropractic resident of the World Health Organization a few years ago.

I'd like to speak to you this morning—and also, thank you for having me speak to you on this important issue. The government has been implementing its action plan for health care to strive towards an increasing, high-performing, patient-centred, sustainable health care system, ensuring that Ontarians have access to the right care at the right time in the right place. Within the health care context in Ontario, there is a musculoskeletal challenge.

I'd like to speak on four brief issues that come to mind. The first is that musculoskeletal issues are pervasive. It's estimated that 11 million Canadians over the age of 12 are affected by a musculoskeletal disorder. As its population ages—which we can't stop—these burdens are going to continue. Up to 80% of people will experience low back pain in their lives, and nearly 20% of Ontarians report it to be chronic.

Number two: Musculoskeletal patients are high consumers of system resources. In 2006-07, about 23% of Ontarians saw a physician for a musculoskeletal disorder; 33% saw a specialist like an orthopedic surgeon. Musculoskeletal disorders represent 27% of all ambulatory visits to physicians in Ontario. Chronic low back pain patients are frequently referred for surgical consultations despite 90% not being proper surgical candidates. Still, 84% of these require advanced imaging.

Musculoskeletal injuries pose a significant economic burden. The Public Health Agency of Canada found that in 2008, direct costs for musculoskeletal care in Ontario were almost \$2.4 billion, and direct costs for low back pain were greater than \$390 million.

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Musculoskeletal disorders, according to the World Health Organization, are the leading cause of work-related time-loss claims and account for 40% of lost-time claims and 50% of all lost-time days registered with the WSIB, and low back pain represents a majority. Musculoskeletal conditions impact complex patients. The prevalence of co-morbid conditions is continually rising, and as our population ages, this burden will become more

pervasive. Adults suffering from multiple chronic conditions, like diabetes and heart disease, also suffer from musculoskeletal conditions. These contribute to pain, limit mobility, prevent patients from engaging in their active phases of care and ultimately exacerbate existing conditions.

We believe chiropractors can help. Chiropractic care improves patient outcomes. There are numerous high-quality systematic reviews, meta-analyses, other things like clinical practice guidelines among RCTs—randomized control trials—that show the efficacy of chiropractic care in decreasing pain, increasing physical functioning, and disability improvements. This is further amplified when combined with medical care.

Access to chiropractic care reduces system costs. Research has shown that low-back-pain patients who had access to chiropractic care versus those who did not had 30% to 40% fewer back-related costs, hospitalizations, back surgeries and required medical imaging. A recent case study conducted by the Ontario family health team found out that when a chiropractor is included in the team, prescription medication and the use of narcotic medications were reduced by more than 50% and the median number of physician visits reduced from 2.5 to one.

Chiropractic care also produces high levels of patient satisfaction. We know, from many different sociological studies along with Ministry of Health and long-term-care projects, this to be true—not just true, but they're very high.

I'm a local chiropractor. I've been in practice for about five years, and I'm a clinical science specialist and also a researcher. I'm fortunate to have had many experiences working with interprofessional health teams and professional research teams in academic environments and have seen first-hand the impact that interprofessional teams have on health care and the important roles that chiropractors play. Our practice is situated in a multi-disciplinary sports setting here in Sudbury, and I often see cases of complex low back pain, neck disorders, headaches, neuromusculoskeletal conditions and other sports-related medicine conditions.

Although I've recently relocated back to Sudbury, I've taken my experiences from the GTA and around the world. I've worked diligently to build bridges with local GPs, medical specialists and other health care providers in Sudbury. It has become very clear to me that the role of the chiropractor within multidisciplinary and interdisciplinary settings in northern Ontario is increasingly important. I've noticed that in the north, patient rosters are further overloaded, physicians are overworked and burdened, emergency visits and specialist wait times are way too long. Patient complexities are mounting. Access to care is also often insufficient, and costs are rising. To suggest this is a complex problem is an understatement.

Many of my patients suffer from chronic conditions like diabetes, respiratory conditions and cardiovascular conditions, and I've seen the first-hand complexity of managing these patients. I've had many conversations

with local medical doctors, physicians, nurse practitioners and others about the burden not only carried by these individuals because of their problems, but also the burden it places on the care provider and the health care system. Often, pain represents a major barrier to effective treatment for these individuals. Physicians want to empower their patients but are finding it increasingly difficult to do so because of pain. The cycle continues and more pain continues to persist, their physical health remains unchanged, disability and impairments further continue, and this compounds the problem. It takes time for the GP and results in the ordering of potentially unnecessary diagnostic tests which help to figure out their pain and bring answers and relief to their patient. The system is taxing and needs support.

My experiences within interprofessional settings have given me good insight into how these complexities can be better managed. I've had the unique experience of working at St. Mike's Hospital as a chiropractor, and I've seen, aside from the very positive clinical environment there in the family health team, outstanding outcomes. Patient care was efficient and enabled the GPs to focus on their patients. The strong relationships between the general practitioners and the chiropractors equated to less diagnostic tests being ordered and, subsequently, less referrals for surgical consultations. The chiropractor would perform a thorough assessment, make evidence-based recommendations and treatments, and these are all communicated back to the GP. This undoubtedly saved time and money and bolstered patient satisfaction, along with outcomes.

Further, while in the GTA, I've had the opportunity to work with surgeons—spine surgeons and other musculoskeletal surgeons—in their assessment clinics. I was there to learn, but also as part of their decision-making process for triage. It was often a frustration to the surgeon that patients who would wait several months for this consultation would only find out that they were inappropriately referred; they were not proper surgical candidates. It results in further long wait-lists and delays for patients who do require surgery. Unfortunately, these cases are plentiful, and they had previously consulted with their GP on many occasions and had gotten several other expensive diagnostic tests. To contrast, these patients could have been evaluated in an evidence-based assessment by a chiropractor and many of these unnecessary referrals to specialists and MRIs been dramatically reduced.

I could speak literally ad nauseam about the number of cases that I get that end up in the emergency department, recurring emergencies that are musculoskeletal in nature and are easily diagnosed and treated, and yet this continued problem persists. It's very expensive, not only for the ER visits and physician time but also medical imaging.

To address these challenges, the government—and we are happy about this—has been rolling out the Low Back Pain Strategy since 2012, including two very important projects: the Inter-professional Spine Assessment and

Education Clinics and Primary Care Low Back Pain Pilot projects. In working with chiropractors and other providers on efforts to improve the way the system manages low back pain, positive results have already been demonstrated.

In addition to the Low Back Pain Strategy, in the fall of 2013, the government authorized interprofessional primary care teams to employ chiropractors, but additional funding is necessary for this to happen.

There are opportunities to further leverage the use and expertise of chiropractors, reducing unnecessary health expenditures while improving patient outcomes and access to care. We hope that you will continue your commitment to enhance low back pain and musculoskeletal care. Specifically, we think there are two ways that are important—

The Chair (Ms. Soo Wong): Can you just wrap up?

Dr. Jairus Quesnele: Sure. These are the two, and then I'm done.

The first is that we recommend that interprofessional primary care teams be funded to hire chiropractors to support comprehensive musculoskeletal programs. This will promote immediate improvement in musculoskeletal care and low back care in team settings.

And we urge you to ensure there is funding for a province-wide rollout of comprehensive low back pain models of care based on the results of the Interprofessional Spine Assessment and Education Clinics and the Primary Care Low Back Pain Pilot projects.

Thank you.

The Chair (Ms. Soo Wong): Thank you. I think this round of questions will begin with Mr. McNaughton.

Mr. Monte McNaughton: Great. Thank you very much. My questions are simple: What's the ask as far as money? How much is this going to cost?

Dr. Jairus Quesnele: I can't specifically speak to that. My association will be speaking to that in due time. But currently the government has given \$2.3 million for the Primary Care Low Back Pain Pilot project to ascertain whether this is going to be cost-effective. Based on the preliminary results already, it appears that the government has saved \$15 million, which is significant, considering the pilot projects haven't really even unfolded a great deal.

I'll speak to that a little bit more as well. In these independent spine assessment clinics, with chiropractors taking leads, they've noticed that—these are secondary levels of care. So patients who are complex and can't be managed by their physician or chiropractors are referred for these consultations instead of being referred for surgery or surgical consults. They have noted that out of the 3,000 who have been referred, only just over 200 have needed a surgical consult or medical imaging, a significant savings, and it's only a snapshot.

Mr. Monte McNaughton: So you're saying the government needs to fund having chiropractors in doctors' offices, essentially?

Dr. Jairus Quesnele: Yes.

Mr. Monte McNaughton: How many chiropractors would have to be hired? I mean, this would be a significant investment.

Dr. Jairus Quesnele: Well, I think that your information will come directly from these pilot projects, and so you will get an understanding of (a) how many chiropractors are going to be needed to bring down that cost overall for medical imaging and surgical consults. I don't have a specific number in mind of how many chiropractors would be needed, but these are pilot projects. There are seven sites—

Mr. Monte McNaughton: Okay. I was going to ask you that.

Dr. Jairus Quesnele: There are seven sites currently, but we want that, once the findings come through, we'll have good, sound evidence to say, "This needs to be amped up."

Mr. Monte McNaughton: Will your association be presenting to the finance committee?

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Dr. Jairus Quesnele: They will be, yes.

Mr. Monte McNaughton: Okay. So we'll have that dollar amount before the budget—

Dr. Jairus Quesnele: Yes, and I can echo that to them.

Mr. Monte McNaughton: Okay. Thanks.

Dr. Jairus Quesnele: Thank you.

The Chair (Ms. Soo Wong): Mr. Fedeli, do you have a question? Two minutes.

Mr. Victor Fedeli: Thank you very much. As someone who has been to chiropractic since probably the 1970s—

Interjection.

Mr. Victor Fedeli: Well, when I was first thrown from a snowmobile and then secondly thrown from a horse, if you really want to know my medical history. I have had great need—thank you—for chiropractic.

Can you talk to us just about the changes in how you're paid and who pays you today versus some time ago? Would you mind, in about the minute that's left, just give us—

Dr. Jairus Quesnele: Yes, I'll give you a snapshot. Generally, billings are reimbursed through a third-party payer, so insurance companies will pay, or it's fee-for-service and you pay for your service. Those are generally the two.

There are other unique models. Some of the teaching clinics in Toronto operate a little bit differently based on some collaborative funding projects. And within the family health care teams, it's also structured a little bit differently.

In contrast to previous OHIP cuts since 2004—there was a stipend that the government would cover; I'm sure you're fully aware of that. In Alberta I believe that they are now reintroducing that stipend back to seniors. That might be a really interesting pilot project to try as well, based on our increasingly aging population and the musculoskeletal demand—

Mr. Victor Fedeli: When the cuts were made, did people stop using chiropractic?

Dr. Jairus Quesnele: Initially there seemed to be a bit of a blip. This was right when I was sort of considering going to school to be a chiropractor, so those questions were kind of prominent in my mind. There seemed to be a blip but it didn't seem to affect the numbers of chiropractors in subsequent years to follow.

That being said, only about 10% to 12% of the population see chiropractors regularly—

The Chair (Ms. Soo Wong): Thank you very much for your presentation. I'm sorry, the time is up.

Dr. Jairus Quesnele: No problem.

The Chair (Ms. Soo Wong): Thank you for your presentation.

AV TERRACE BAY INC.

The Chair (Ms. Soo Wong): Our next witness is AV Terrace Bay Inc., Mr. Giovanni Iadeluca. Right?

Mr. Richard Groves: I'll save you—

The Chair (Ms. Soo Wong): You'll say it better than me. That's okay.

Mr. Richard Groves: No, you got the name right, but I'm speaking on behalf of Giovanni. My name is Richard Groves.

The Chair (Ms. Soo Wong): Okay. Welcome. Can you please identify yourself and what your position is? You have 10 minutes for your presentation. This round of questions will be from the official third party. Welcome.

Mr. Richard Groves: My name is Richard Groves. I'm the vice-president of AV Terrace Bay. I'm in charge of fibre supply and government relations. I'm speaking on behalf of Giovanni Iadeluca, who is the CEO.

I want to thank you for the opportunity to speak to you about some of the many challenges facing our business in the broader forest industry today. These challenges all present an opportunity for the province to have a positive impact on the industry, in some cases without even spending any money.

Interjection.

Mr. Richard Groves: Like those ones? I tried to bring something good.

First I'll speak to the importance of the provincial roads funding program to the forest industry across Ontario and then speak briefly about two challenges much more unique to AV Terrace Bay: the Chinese anti-dumping tariff that poses a significant challenge and the forest tenure system.

The forest industry has faced many unprecedented challenges over the past seven years but has begun what we hope is an equally unprecedented rebound. While many hurdles surely lie ahead of us, we are optimistic that we can decidedly overcome those through continued and, in some cases, increased support from the province of Ontario.

To give you a bit of profile of who AV Terrace Bay is, the Terrace Bay pulp mill was purchased by the Aditya Birla Group in July 2012 and was restarted in October

2012. The mill was previously owned by Kimberly-Clark, Neenah Paper and the Buchanan Group of Companies and had undergone a number of lengthy shut-downs and CCAA proceedings, which most recently resulted in the sale of the facility to AV.

The mill was purchased as a world-class producer of northern bleached softwood kraft but with a commitment and aggressive plan to convert the facility to the production of dissolving grade pulp used in the manufacture of rayon. As a forester, I now say I'm in the clothing business, not the wood products business.

The Aditya Birla Group is the world's largest producer of DG pulp with 22% of the global market share, marketed as Birla Cellulose. AV Terrace Bay is part of that group, which has three pulp mills in Canada.

AV employs directly at the mill 385 employees; in the woodlands, 375 employees; and then the indirect jobs added up were accountable for 3,800-plus employees—people.

AV makes the following annual contributions—this is where we help you. Our payroll is \$34-plus million. Our fibre purchases are \$70 million. Our charges to the government are \$11 million for wood alone, and other purchases in northwestern Ontario are \$41 million. We have made a significant impact in a short time frame. We also have a capital investment of \$75 million and are planning on spending another \$250 million.

The first item I wish to highlight with you today is the importance of your continued support for the provincial roads program. We have heard support for the program from all of the major provincial parties, which certainly asserts the significance of the continued growth of the forest sector in northern Ontario. The Ontario government has long recognized that the province should pay a proportionate share of the cost of building and maintaining infrastructure in forest areas, because infrastructure provides many other benefits to the public.

Forest access roads are utilized by other industrial partners, particularly in the mining sector. They also provide benefits to the provincial economy. They are utilized by government and utility providers to bring services to remote areas. They are utilized by emergency services to access remote communities and camps. They are also used by aboriginal communities and members of the general public in pursuit of recreation, hunting, gathering, trapping and other traditional and cultural activities. This road infrastructure is becoming a significant long-term asset of the province of Ontario.

A prime example: This year alone, we've had two closures of the Trans-Canada Highway. Our road system saved people driving hundreds of kilometres, and they were implemented immediately. We shut down the haul to make sure that people were driving safely and could do that. We are used by the province of Ontario.

The current program was established in 2006 and was provided annual funding of \$75 million. Since that time, funding has dropped nearly in half, to \$37.9 million, as of 2014. Harvest volumes are now showing a slow increase across the province, meaning more road construction and

maintenance requirements, while funding has significantly fallen from the original commitment. This drop has had a double impact on AV Terrace Bay, who are trying to re-establish forest operations in an area already receiving limited provincial roads funding support due to the depressed harvest of the previous mill ownership. The distribution of funds is based strictly on a five-year rolling harvest of each management unit, which disadvantages new entrants to the province without an established history of harvesting.

AV Terrace Bay was extremely pleased to hear Premier Wynne's commitment to increase funding to approximately \$60 million for 2015-16 and 2016-17. To put this in perspective, our company expects to spend nearly \$13 million on road construction and maintenance activities in the upcoming 2015 fiscal year across our watershed. If the increase to \$60 million in the provincial program is realized, we have estimated that our reimbursement will be only a third of that, so we're still going to spend a significant amount of money after the \$60 million. We encourage the province to consider returning the program to at least \$75 million per year in future years, understanding the challenges in front of you today.

The province has an opportunity to show continued leadership and commitment to northern resource-based communities by continuing their support for maintaining and developing the forest road infrastructure that provides access to resources for a variety of users. The benefits and strengths of the provincial roads funding program are well recognized across the north, and should be considered an investment in northern prosperity.

The second item I wish to draw your attention to today is the Chinese anti-dumping tariffs on dissolving grade pulp, and the resulting challenge being put forth to the World Trade Organization. The AV Terrace Bay facility was purchased with a commitment to convert to production to DG pulp at an investment of \$250 million. While this commitment is still in place, it has been greatly complicated by the Chinese anti-dumping tariffs imposed since the mill purchase. Although our facility would be highly dependent on internal consumption, much of this business interest is located at our processing facilities in China, to which these tariffs would still be applicable. In addition to this, since China is the world's largest consumer of DG pulp, the proportion of our production that would be sold externally would also be heavily influenced by the Chinese market.

In late 2012, Chinese DG producers petitioned the Chinese government to carry out an anti-dumping investigation against DG producers in Canada, the United States and Brazil. Under the direction of the World Trade Organization, the Ministry of Commerce of the People's Republic of China carried out that investigation. Based on the analysis completed, the Chinese government imposed country- and facility-specific tariffs on DG imports from the three aforementioned countries. AV Terrace Bay was not specifically included or considered in any of the sample analysis, despite providing voluntary responses, and have been levied a generic tariff that we

believe is not nearly representative of our cost structure and economic considerations. AV Terrace Bay is certain that the anti-dumping investigation was not completed in compliance with the requirements of the World Trade Organization anti-dumping agreement.

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When the AVTB mill was purchased, dissolving grade pulp had reached what was thought to be a fairly stable price of \$1,000 a ton. This was down from an unsustainable peak when prices rose above \$2,000 a ton. The price of DG is now at \$860 a ton, but new Canadian producers like AV will be faced with a 24.7% tariff on top of that. This in Canada would net \$645 a ton, marketplace. In contrast, NBSK, which is the product we're now producing, sells at about C\$1,000 a ton and is cheaper to produce.

The AV Group, among other Canadian DG producers, has petitioned both the federal and provincial governments to challenge these tariffs with the WTO. AV Terrace Bay understands that the federal Minister of International Trade has already commenced a World Trade Organization challenge of the anti-dumping duties. We are asking that the province continue political and financial support of this challenge. Our company is optimistic that these duties can soon be eliminated, along with related concerns over the significant and long-term investment being made to convert our facility.

The final item I wish to speak about today is wood supply certainty—as indicated by my title, probably my primary focus—its importance to industry and its effects on our current business operations.

To the forest sector, wood supply security is business-critical, and this security is largely driven by the forest tenure arrangements that are in place. The forest industry, overall, was pleased to hear the commitment and direction with respect to forest tenure modernization from the province through former Minister of Natural Resources David Orazietti in 2014. This direction, however, did not alter the tenure position of AVTB, which currently resides directly within the new provincial forest tenure test models established by the Forest Tenure Modernization Act. AVTB is the largest company in the province to have no sustainable forest licences or direct management authority on any portion of the large land base from which it sources wood fibre.

Although this was recognized at the time our group purchased the facility, wood supply commitments were made to AV by the province that we have not seen realized to date. After two years of discussions and negotiations, two of the three tenure models which will encompass nearly three quarters of our committed wood supply are still not nearing completion. Tenure uncertainty and interim arrangements as a result of these pilot projects have significantly increased our costs and continue to put our business at competitive risk.

If we can solve this, I will put wood to work, which will generate taxes, and if you look after the road system, it will provide us the competitive advantage to stay in business. Thank you.

The Chair (Ms. Soo Wong): Mr. Groves, thank you so much. This round of questions is from the third party.

Ms. Fife, do you want to begin the questions?

Ms. Catherine Fife: Yes. Thank you very much, Richard, for coming and sharing some of the concerns of your business, and also of the economy of the north, really. Many of the topics that you've touched on today are very similar to what we heard at Fort Frances yesterday. In particular, the Ontario Forest Industries Association made some compelling cases.

The security around fibre supply, wood stock, is absolutely, I think, an eye-opening experience for those of us who are on the committee, because clearly you are making an investment in the north, and there was an understanding that you would have wood supply. You must let us know, through comments, how to best deal with the situation that you're currently in, that you do not have a sustainable forest licence.

Mr. Richard Groves: I need the government to deliver on the obligation it committed to when we signed the deal to purchase the facility, which means you need to convert the existing forest management units into what they call enhanced sustainable forest licences. That's my issue. Because that has not happened, our mill came down to two days of inventory on January 1. We almost shut the facility down totally because we had no wood supply. I should have harvested an additional 200,000 metres before that, which would have employed more people and generated more revenue. But the issue is I had, and I'm still at—now I breathe carefully—eight days' worth of wood. Normally, I would have 38 days' worth of wood in the mill yard today. Those are my challenges, and that's why Giovanni is not here and I came in his place.

Ms. Catherine Fife: Can you explain, though, to the committee, what is the barrier?

Mr. Richard Groves: The barrier is that the government started a process. I believe the objective and the intent was great, and I believe once this gets completed, it will be functional and will deliver what we need. But a lot of expectations were set with a variety of people, a lot of discussions happened, and they haven't come to a conclusion. That's the issue. The government leads the process, so I have to sit on the sidelines as the government goes through the process to get it completed, and the interim measures that were put in place didn't make wood available. I need what was set to be done, and that's been my discussion, as of this morning, with the Minister of Natural Resources and Forestry's office. We need to have it happen.

Ms. Catherine Fife: Okay. That's good for us to hear because we can take that message back.

Could you also comment on industrial hydro rates in Ontario compared to neighbouring jurisdictions, and what you would do to make Ontario industrial hydro rates more competitive? Of course, you need the wood first.

Mr. Richard Groves: That part is a little harder because I'm the wood guy. The province of Ontario has

some of the highest energy costs anywhere and we need to deal with some of that. The package that was put together at our particular facility is not as great as if you were in Quebec—in Quebec, I'd be paying a third of what I'm paying here—but it was enough to make the business flow. Again, it's all part of, the devil is in the details. Continually having those energy rates that were committed to us flow into the future—they need to be solidified and clearly laid out. The energy rate that we have—like I said, part of the deal to come to Ontario—is good, but the details need to be there to make it happen long term. It's the NIER Program, and all those programs have a life expectancy. They need to be sorted out and delivered long term.

Ms. Catherine Fife: The barrier of not having a sustainable forest licence—because you're a wood guy, I'm going to go back to the wood. What is the future for the company if those licences are not secured?

Mr. Richard Groves: The biggest issue—and I just came from my budget presentation. The company came to Ontario because it had wood and water. Wood was reasonably priced but they could access wood. India doesn't have wood, India doesn't have water. They had two of those things. But if they don't materialize, then they will not continue with the investment.

The Chair (Ms. Soo Wong): Mr. Groves, thank you very much for your presentation.

ONTARIO HEALTH COALITION, SUDBURY CHAPTER

The Chair (Ms. Soo Wong): Our next witness is the Ontario Health Coalition, Sudbury chapter. Welcome. Can you please identify yourself for Hansard.

Ms. Felicia Fahey: I'm Felicia Fahey.

The Chair (Ms. Soo Wong): You have 10 minutes for your presentation. This round of questioning will be from the government side for five minutes.

Ms. Felicia Fahey: I represent the Sudbury chapter of the Ontario Health Coalition. We are a citizens' group made up of volunteers trying to protect and improve public health care systems here in the Sudbury region. We work to ensure that health care services are provided based on population need under the principles of the Canada Health Act. We are a non-partisan organization dedicated to protecting health care and ensuring that public policy regarding our health care system is democratic and equitable.

Some of the things that we're trying to deal with: Cuts have been very significant and detrimental on patient access to care here in Sudbury and in our region. In the 2013 budget, hospital global funding was frozen. A 0% increase in the face of increasing inflation means real dollar cuts and real cuts to care. Sudbury has seen devastating cuts to hospital beds, despite the fact that there is a need for the services.

In addition, the Ontario government has announced plans to further cut hospital diagnostics and surgeries and contract them out to private clinics. The evidence shows

that this plan will result in higher health costs, increased quality concerns, worse staffing shortages and increased requirements for oversight and monitoring of all of these private clinics.

We urgently need health care cuts to stop and we need the government to reinstitute sound planning to meet our community's need for health care services. There has been no needs assessment, bed planning or regular health system capacity planning since the 1990s. As a result, we have been subject to ad hoc cuts and severe rationing of access to needed care. While we have seen severe downsizing of our hospitals, at the same time, wait-lists for long-term-care placement are extremely long and patients have been sent to long-term-care homes not of their choice and far from home and from their loved ones. Home care is an excellent service, but it's inadequate to meet the complex needs of patients off-loaded from our hospitals.

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If there is one message that we can convey today, it is that hospital funding needs to be restored. The cuts must stop. Health care services need to be based on sound planning and the ability to meet the needs of community members.

We would like to draw your attention to the Auditor General's findings on the high cost of privatized P3 hospitals. The auditor reported that if new privatized P3 hospitals and other P3 projects had been properly managed and built publicly, the province would have saved \$8 billion. This finding serves to underline the fact that the hospital cuts are a budget choice, not a necessity. The privatization is not saving money; it is costing us billions. It should be stopped, and the savings should go towards improving access to public, non-profit health care and for the needs of all.

We have a few recommendations. First of all, stopping private clinics: Private clinics, including diagnostic and surgeries from our local hospitals contracted to private clinics, need to be stopped immediately. Hospital care should be integrated and provided under the safety and public governance of our local hospitals. Private clinics, whether nominally non-profit or not, are not safe. They threaten single-tier public health care, and they drive up the costs. This is bad public policy, and it must be stopped.

I'm not in the health care system. I am a mom of two girls. I am a community member. We got involved with the Ontario Health Coalition because we wanted to make sure that our health care system stayed intact, the system that we grew up with, the system that our grandparents fought for. We have a state-of-the-art system that we don't want to lose.

One of my girlfriends entered the health coalition with me because she fears that her daughter is going to die of diabetes. She is a single mom, and she has no money. Keeping up with Morgan's health care costs is literally breaking her. She's paying over \$600 a month in diabetes funding—her blood work, her tests. She's going to these private clinics. She went in last year to get celiac testing

done, because Morgan couldn't breathe some days, and they told her that it was going to be \$150 for the blood work. She broke into tears at the private clinic, not realizing that if she had just gone to the hospital, it would have been free. These services need to be free for people when they're free through our public system—and they're not telling people that that's happening. That's wrong.

The government's plan to cut public hospital services and contract them to private clinics bears close resemblance to the English government's contracting of public hospital services to private clinics. In the UK and other jurisdictions, including Canada, multiple reports and many studies report lighter caseloads and evidence of cream-skimming by private clinics, leaving the more expensive and heavier caseloads to the public, non-profit hospitals while depriving hospitals of resources. When we have clinics that are doing things like colonoscopies, and then when they have a problem with it, they send it back to the hospital—even though we don't have the resources at the hospital now because we've been sending funding to the private clinics—that's absolutely ridiculous.

We see it here all the time. We have people who are reporting this back to us. When we did our study back in April, we had over 5,000 people just here in Sudbury volunteer to come in to vote on a referendum to stop public cuts. It wasn't an electoral vote where they were mandated to come out and vote; this was something that they chose to do because they care about our system. They need to keep it.

Recommendation 2, hospital cuts: After eight years of hospital funding increases that have been set below the rate of inflation, hospital cuts are very severe, and access to vitally needed hospital services has been compromised. Hospital funding needs to be improved and stabilized. There needs to be a moratorium placed on cuts to hospitals and services and expanded user fees for seniors.

In the 2014 budget, funding for hospitals was frozen again—less than inflation—forcing more and more cuts. Hospital base operating funding was held to a 0% increase in 2014-15. It has been held to less than the rate of inflation since 2006. Budget constraints on hospitals have resulted in damaging cuts to needed services. Ontario has the fewest hospital beds per capita of any province in Canada by far. Our province has the highest level of hospital occupancy of any jurisdiction for which we could find data. In fact, hospital overcrowding in Ontario is at dangerous levels. Continual pressure on hospital budgets has meant cuts to needed services across Ontario. Off-loading and privatization of hospital clinics and services are detrimental to patients.

Sudbury has been impacted by the inadequate levels of hospital funding. In recent months, our hospital has been operating at more than 100% capacity, meaning that all of the beds are full and patients are waiting for admission to beds. The emergency department has been backlogged,

and long waits have left patients in substandard conditions.

My grandmother had a fall. She lives in Kitchener, and she's 94 years old. We decided that we were going to move her up to Sudbury. Up until last October, she was still driving. She chose to give her driver's licence back. She was maintaining her own home, and after the fall, she just couldn't do it anymore. She moved in with my mother and ended up having a mini-stroke in January. She sat on an emergency stretcher in a hallway for three days because there were no beds. The cuts have to stop.

We're a humane society, and I understand that there are budgetary restraints, but it can't be on health care. We've cut and cut and cut, and we can't cut anymore. It's really just that simple. There has got to be a way to make this better. When we have 94-year-old women, who have extreme dignity, sitting out in the open, watching people walk by and stare at them—that's where I had my limit. It wasn't just because it was my grandmother—because we spent three days in there, watching it happen to 50, 60 other people waiting.

Just last week, my daughter passed out at high school. We didn't know what it was. She was brought in by ambulance to Health Sciences North and sat in a hallway on a stretcher bed waiting for five other ambulances to unload because they had no beds for them. That's a crisis. She was fine, but I don't know about those other four.

Long waits for long-term health care: According to data from the NE CCAC, there are almost 1,000 people on wait-lists for long-term care in Sudbury. This further underlines the fact that the hospital cuts must stop.

The Chair (Ms. Soo Wong): Ms. Fahey, can you please wind up your presentation so that there can be time to ask questions?

Ms. Felicia Fahey: Absolutely. We're also asking for P3 hospitals to be cut—stopped and no more funding put into them. We've seen through the Auditor General's report that it's just not working. I think that our program and our health care has worked for many years, and I think that it's time that we start remembering why our grandparents fought to have the system that we do and to be proud of it and to stop cutting it.

The Chair (Ms. Soo Wong): Thank you very much. This round of questions: Ms. Albanese, do you want to begin the questions?

Mrs. Laura Albanese: Yes, I will start. I want to thank you, first of all, for being here today, for your presentation. I am familiar with the work that the Ontario Health Coalition does. I know that this is the Sudbury chapter. I'm more familiar with the Toronto chapter, but in any case, I know that you keep, I guess, a keen eye on the policy of the government and on any shift, in trying to ensure that the government remains committed and accountable to the people of Ontario. I want to thank you for that. I know that your goal is that: to protect—

Ms. Felicia Fahey: Absolutely.

Mrs. Laura Albanese: —and to improve our public health care system. I can assure you, we all are very

proud of our health care system, and we want it to continue to be what it has been for generations. I recently became a grandmother, so I would like to preserve it for generations to come.

One question that I had was: Have you seen any difference in the investment that, for example, the province has made with funding to the small and rural hospital fund? Has that helped in any way?

Ms. Felicia Fahey: Like I said, I'm not in the health care system, so as a mom or a patient coming through—

Mrs. Laura Albanese: And you know, we've been trying to shift also to get more help in the community, and this has been one of the issues.

Ms. Felicia Fahey: Right. You've got to remember that here in Sudbury, up until about five years ago, we had three hospitals functioning. Building one giant hospital, regardless of whether somebody thought it was a brilliant idea or not, meant less beds. We had three functioning hospitals with staff in all of them. All of them were full back then.

As somebody who lives in the region, it's not working. It doesn't matter how much funding is going in to these smaller clinics; it's still not there. We don't have a lot of smaller clinics here to begin with, and they're not providing the same amount of care. Like I said, when I was talking about celiac testing, when you're going in there and you're being charged user fees—I mean, we're already paying taxes on top of the user fees. All of that should be included, right? So I don't think that it's working. I don't think that we are seeing, as members of this society, an increase or any further efficiencies with the funding system that's going on right now.

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Mrs. Laura Albanese: Okay. I know that you have given us a list of recommendations, so thank you for that. I don't know if any of my colleagues—

The Chair (Ms. Soo Wong): I think Ms. Vernile has a question. There are two minutes left for this round.

Mrs. Laura Albanese: And then Mr. Dickson, apparently, has a question.

Ms. Daiene Vernile: I just want to ask you: That time that your grandmother was waiting for three days in the hospital, in the hallway, as you described—was she getting health care at that time? Was she being attended to?

Ms. Felicia Fahey: Yes, she was being attended to. It's more of a dignity question. I mean, when you're 94 years old and you're getting your care done in the middle of the hallway—it's the same as with my daughter last week. My daughter has huge anxiety around needles. They put the IV in in the middle of the reception room. I know, myself, I pass out when I get needles. She's normally in tears and trembling when anybody gives her a needle. This was the first time she had ever had an IV put in. They did it with somebody right beside her who had just been in a car accident with his child in the car, and was in crazy tears. That did not help her anxiety. That did not help her calm down with the fact that they were coming through with a needle this long, poking it in her,

where she had not even draped drapery around her to keep her calm. So, no, it's not working.

The Chair (Ms. Soo Wong): Okay. I only have one minute. Mr. Dickson, you wanted to ask a question?

Mr. Joe Dickson: Thank you, Madam Chair.

Thank you for your presentation. Well done. I know I've heard some of your presentations in previous years and they're very—

Interjection.

Mr. Joe Dickson: I'm so used to not speaking too loudly because I didn't think my wife wanted to hear me.

I'd like to thank you very much for your presentation. Do you receive any funding to assist you in the good work that you do as an advocate for care?

Ms. Felicia Fahey: No.

Mr. Joe Dickson: You're on your own.

Ms. Felicia Fahey: I'm on my own.

Mr. Joe Dickson: Okay. By the way, I thank you because there are a lot of items that they're going to take back to review at health in the budget process.

You talked about wait and backed up and so on and so forth, and I just wondered if you were aware that according to the Fraser Institute, which is a right-wing think tank out of the west coast, that Ontario has gone from the very worst province to the very best province in the number of wait times that there are per capita. It's quite an accomplishment, but it doesn't end there. There is still more to do, and we're onside with you with that. Thank you ever so much.

The Chair (Ms. Soo Wong): Ms. Fahey, if there are any comments, can you just put them in writing and submit them to the Clerk—

Ms. Felicia Fahey: Absolutely.

The Chair (Ms. Soo Wong): —by next Friday?

Ms. Felicia Fahey: Sure.

The Chair (Ms. Soo Wong): Thanks so much for your presentation.

Ms. Felicia Fahey: No problem.

The Chair (Ms. Soo Wong): Thank you.

CANADIAN FEDERATION OF INDEPENDENT BUSINESS

The Chair (Ms. Soo Wong): Okay, folks, the next witness is the Canadian Federation of Independent Business. I believe there are two individuals coming to present.

Welcome. Good afternoon. You have 10 minutes for your presentation. This round of questioning will be coming from the official opposition party. Can you please identify yourself and your position with the Canadian Federation of Independent Business?

Mr. Plamen Petkov: Absolutely.

The Chair (Ms. Soo Wong): Thank you.

Mr. Plamen Petkov: Thank you, Madam Chair. Good afternoon, ladies and gentlemen. It's a pleasure to be here in Sudbury and present CFIB's pre-budget recommendations for the Ontario budget 2015. My name is Plamen Petkov. I am the Ontario vice-president at CFIB, and I'm

here with my colleague Nicole Troster, who is a director for provincial affairs in Ontario, as well.

We have a brief presentation for you. I think it's just being distributed. We're going to walk you through some of the slides that we have prepared and then we're going to leave some time for questions as well. So I'll turn it over to Nicole to walk you through some of the initial slides.

Ms. Nicole Troster: Great. Thank you for giving us the opportunity to be here.

The Canadian Federation of Independent Business, as many of you may know, is a not-for-profit, non-partisan organization that represents 109,000 small and medium-sized businesses across the country, 42,000 here in Ontario. Each week, our sales representatives meet with our members—about 2,000 members a week—and that gives us credibility in representing our members.

The other thing that gives us credibility is the fact that we base all of our recommendations on the surveys that we do with our members. The feedback that you will see in our presentation is based on first-hand feedback from small and medium businesses.

The other thing that you should know about CFIB is that we're fully funded through memberships. We don't receive any external funding from government or anybody else.

If you flip to slide 3, you'll see that CFIB represents businesses from every major sector of the economy, from retail to construction to agriculture.

On slide 4 you'll see, based on survey results, that—again, any of the recommendations that are in this presentation are based on feedback from our members. When we asked them about the most important issues in their business, you'll see that total tax burden is the most important concern of business owners. That includes payroll taxes, for example. The second most important concern is red tape and regulation, followed by government debt and deficit, then workers' compensation.

If you move to slide number 5: We regularly survey on taxes and things like that. We've asked our members many, many times about affordability and retirement savings, for example. You'll see on the chart that we've surveyed both business owners and working Canadians on the issue of being able to save more for retirement, and the answer is very similar. Some 61% and 65%, respectively, say that they cannot save more for retirement.

As a result of the lack of affordability, you'll see that the majority of small business owners actually oppose any kind of mandatory pension plan contributions. However, there is broader support for voluntary options.

Mr. Plamen Petkov: With that information in mind, I'd like to direct you to some of the recent research that we have done, specifically on the proposed Ontario Retirement Pension Plan. As soon as we got the first glimpse of what that plan could look like in May of last year, in the first budget, we went directly to our members to get their reactions. As you can see, overwhelmingly, 86% of small and medium-sized business owners in On-

tario are opposing the implementation of a mandatory Ontario Retirement Pension Plan.

There is a good reason for that. On slide 8, we look at some of the consequences that small business owners will have to face if such a plan is in fact implemented starting in 2017. Most business owners, almost 70%, indicated that they would have to freeze or cut salaries; over half would have to reduce jobs; and over half would have to reduce investments in their business. I would just like to direct your attention to those three very important consequences that we should expect to see if, in fact, this plan comes into effect in 2017.

In addition to our members' opinions, we have also conducted a series of economic analyses, and we have put some of the findings on slide 9, where we have looked at the broader impact on the economy—not just on the small business sector, but on the Ontario economy. We found that the ORPP will cost 160,000 person-years of employment in the short term, it will increase the unemployment rate by 0.5% and it will reduce wages in the longer term.

Most importantly, it will take 40 years of solid contributions from employees and employers to attain full benefits. That fact was really news to our members. I'm sure it is news to Ontarians, as well. It's a very long period of time before you actually get the full benefits prescribed under the ORPP. In addition to that, because it's a separate plan, it will require a new remittance system, in addition to the remittance system that currently exists under CPP, which we believe is going to increase red tape significantly in this province.

We have met with Minister Sousa. We have met with Minister Hunter. We are participating in the ongoing consultations on the ORPP. We will be preparing a way more detailed submission on the ORPP and sending it to Minister Hunter in the next two weeks, but we wanted to use this opportunity, with representatives from the three parties here, to once again really raise the importance and the grave concerns that our members and the broader small business sector have about this potential mandatory pension plan.

We believe that there are better options for retirement savings, where government can actually help. That's on slide 10. We believe that government should focus on the areas that it controls best—controlling government spending and reducing taxes—to help Canadians and help small business owners get that extra financial capacity that Nicole talked about in the beginning, which simply does not exist right now, not just for small business owners, but also for their employees.

Ms. Nicole Troster: Moving on to red tape, on slide 11: Red tape is a hidden tax on productivity. Consequently, it's the second most important concern of business owners, as I mentioned before. You'll see in this chart that close to 40% of small business owners indicated that they agree with the statement that they may not have gone into business had they known about the level of burden of government regulation. You'll see another 42% who may or may not have gone into business. This

is really indicative at which point red tape is a deterrent for running a small business in Ontario.

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On slide 12, you will see the specific areas. Given the influx of new occupational health and safety requirements in the last year and a half, it's no wonder that small business owners indicate that workers' compensation and occupational health and safety are by far the most burdensome areas. The government really has to work on streamlining regulatory requirements to help businesses to comply. That's a win-win situation for all parties involved.

Businesses also find requirements related to HST and employment standards as particularly burdensome. That being said, there has been some progress on red tape, which will take some time to translate into savings for small businesses.

In particular, recently the Ontario Legislature unanimously passed the Burden Reduction Reporting Act, or Bill 7, which will require the government to identify, report on and reduce unnecessary burden. This is a good first step in understanding the size of the regulatory problem in this province and then being able to address it accordingly. We recommend that any kind of reform initiatives include all public service and arm's-length agencies to really capture all of government's burden on small businesses.

On slide 14, we shift over to government debt and deficit, and we see that inflation-adjusted government spending has far outpaced population growth. Small businesses expect the government to balance the budget by 2017-18 as promised. In order to do so, the government should not look to introduce new taxes—any kind of new taxes, including a carbon tax. Instead, it should reduce spending to meet fiscal targets.

Mr. Plamen Petkov: Finally, I would just like to direct your attention very briefly to the issue of workers' compensation, as that is in the top four priorities for members, as identified earlier in the presentation.

In 2008, the government passed Bill 119, which is a bill that now requires business owners, operators, directors and independent operators in the construction sector to pay WSIB premiums on their own earnings in addition to what they already pay for their employees. That has a huge cost impact on small construction companies and on independent operators. We estimate it's about, on average, \$6,000 per company. As a result of that, we asked our members—on slide 16—how they are planning to cope with this added cost. Almost half would have to raise prices, 30% would cut their own compensation and 20% would downsize their business.

One of the recommendations that we have for this committee and for the government is to repeal this bill as, from our perspective, it really does not meet the objectives that it set out to achieve. The purpose of this bill, when it was introduced and passed, was to tackle the underground economy and to improve workplace safety. It has not achieved any of that. If anything else, we are

seeing that, actually, more businesses are tempted to go underground to avoid this cost.

On the last couple of slides, you are going to see a list of our recommendations. I'm not going to go over those, just to give some time for questions.

The Chair (Ms. Soo Wong): Mr. Fedeli, do you want to begin the questions, please?

Mr. Victor Fedeli: Thank you very much and welcome. So on this ORPP, do you think that people realize that it's money that will come off of their paycheque and money that will come from their employer as well? Or do you think people think it's government money they are going to receive?

Mr. Plamen Petkov: Well, I mean, we have surveyed members, and based on some of the information that we have passed to them—and obviously there has been some debate on this—our members, or employers, understand that they have to bear some of the cost, or half of the cost. I'm not quite sure, though, that the average Ontarian actually understands that this is going to be money coming from their paycheque. I think they are going to realize that after they see that deduction in 2017 onwards.

I think there is a big education component here that is missing from the whole debate on things such as, it is not a free plan; it is not something that the government is giving to the people; and there's also the fact that it's going to take 40 years of contributions to actually get the benefit.

Mr. Victor Fedeli: I understand that 86% oppose the ORPP.

The consultations that you've had with the government—you've mentioned you've had consultations. Did it come up—about the fact that companies with defined contributions must pay into this? Because that seems to be something new or something that we've only heard recently. Did that come up?

Mr. Plamen Petkov: In our discussions, both in our meetings with Minister Sousa and Minister Hunter, and also in the public consultations, the only thing that we were led to believe is that these consultations are currently taking place in terms of what is going to be considered a comparable plan. We don't know if a defined contribution or RRSP plan or potentially a PRPP plan would be exempt. That's actually in our recommendations. One of our key recommendations is to have such plans actually exempt from ORPP. But at this stage we don't have any clarity in terms of which plans will be exempt.

Mr. Victor Fedeli: Were you aware that when Kathleen Wynne was first elected as Premier she asked the Ministry of Finance what the effect of this payroll tax would be, and they informed her that for every \$2 billion taken out of the system it would cost Ontarians 18,000 jobs? Is that something that you've come across?

Mr. Plamen Petkov: I think there were some media reports on this, if I'm not mistaken, before the last election in Ontario. We have seen that. I think that was more linked towards the new revenue tools that were up for debate at that time. So we have seen those statistics.

From our perspective, on this specific issue, on ORPP—it doesn't matter what you call it or whether you call it a tax. I know that the government calls it an investment. From our members' perspective, it is something that has to be paid from the payroll. When you're a small business owner and when you have a limited budget, that money has to come from somewhere. You cannot just absorb it. Unfortunately, what we think is going to happen is that this is going to come from cuts in their labour force, from reducing hours and from freezing wages, just like you saw on that slide. So it is money that has to come from somewhere. In a small business you don't have the luxury of having that much cash lying around.

The Chair (Ms. Soo Wong): Mr. McNaughton, I heard you wanted some questions. There are two minutes left.

Mr. Monte McNaughton: Great. I just have a couple of questions. First, thanks for all the work you do in standing up for small businesses in Ontario and across Canada.

I wondered if you could put it in context—because all MPPs hear across the province about how expensive it is to do business in Ontario. Can you put into context where Ontario is versus the other provinces?

Mr. Plamen Petkov: I think it's fair to say that when we come here and talk about the burden of, let's say, a potential ORPP, or when we talk about increasing payroll taxes, I think it's very important to know that these are things that are not happening individually or one-offs. It's a combination of things.

So if you're a small business in Ontario, over the last year you've paid higher hydro rates. If you are in the skilled trades, you now have to pay into the College of Trades. If you're in the construction sector, you have to pay \$6,000 more to comply with a legislation that's in place and doesn't really deliver on what is meant to be.

So it is really a combination of different charges that, as a small business owner, you either have to take from your payroll, meaning reducing your labour force, or you have to pass it on to your consumer, meaning raising prices. If you keep raising prices you're not going to be competitive and you'll be out of business pretty soon.

Over the last week or so, we saw reports of big companies, multinational chains, exiting Canada and Ontario because they are not competitive. They cannot stay competitive. The same is valid for a small business. If you start raising your prices to absorb some of these costs, you're not going to make it too far.

The Chair (Ms. Soo Wong): Thank you very much for your presentation.

Mr. Plamen Petkov: Thank you.

ONTARIO COUNCIL OF HOSPITAL UNIONS

The Chair (Ms. Soo Wong): Our last witness for today—I understand from the Clerk that we have the Ontario Council of Hospital Unions instead of the On-

tario Health Coalition. I believe Mr. Michael Hurley, the president, will be here to present.

Mr. Hurley, you have 10 minutes for your presentation. This round of questions will be from the official third party. You may begin any time. Thank you.

Mr. Michael Hurley: Thank you very much for the opportunity to present today and thank you for agreeing to change the presentation. The health coalition had difficulty making this hearing because there was a public meeting last night in Leamington about the closure of the obstetrics unit at that hospital. That's a dynamic that's occurring across Ontario, but if we just look at what's happening in northeastern Ontario for a moment, with very deep cuts in the Soo hospital, which originally had tried to close or significantly downsize some of the satellite hospitals that it had in its orbit to make up for its budget problems—it couldn't do that, dealmalgamated, and now has to deal with those problems it has.

1220

The Timmins hospital has had deep cuts and bed closures. Temiskaming Hospital has closed half of its operating room hours. The North Bay hospital just announced the closure of eight psychiatric beds, some of those forensic psychiatric beds, and the elimination of 80,000 nursing team hours. Sudbury has had ongoing cutbacks to continuing complex care and to the hospital here, which is one of the most overcrowded hospitals in Ontario.

Unfortunately, that's just a pattern of the kind of cuts we see across Ontario, with the threats of hospital closures in communities as diverse as Richards Landing, but also in Trenton and in Welland and in Niagara-on-the-Lake and in Penetanguishene, where the hospital is closing, and in Dunnville and in St. Marys and in other communities across Ontario. Small, rural hospitals are very much under threat, and the larger hospitals are downsizing significantly.

The Auditor General has estimated that the amount of funding that hospitals require on a yearly basis needs to increase by about 5.8% because they're required to provide drugs free to all in-patients, and the costs of those drugs is escalating at a rate consistently over 10%. But also, despite the recent initiative of the government, doctors' salaries ballooned by almost half a billion dollars, as you know, last year. Then there are medical technologies. So hospital costs are actually under greater pressures than the economy in general, but hospitals have been effectively frozen for three years now and are expected to be frozen for another two. The hospital association tells us that they expect that the cuts will be much worse in 2015 than they were in 2014, and of course they are very, very significant.

As the health coalition mentioned earlier, the government has made choices around some of the decisions it has made with respect to hospitals; for example, on the capital side, as was mentioned, the private-public partnership initiatives which the Harris government approved in its first mandate and which the Liberal Party said that they would cancel the contracts for in the election that saw the Liberals replace the Conservatives. In fact, that

hasn't happened. The number of P3 projects has ballooned despite the fact that it was known, even during the Harris years, from the British Medical Association journal studies of P3s in Great Britain, that in fact the cost of those hospitals would be about 30% higher and they would come with significantly fewer beds and staff—doctors, registered nurses, other staff all down the line.

One of the cost pressures that's particularly acute for the North Bay hospital is that it was built as a P3, and so in addition to the cost freeze that it has, it also has to deal with the fact that it has the most expensive infrastructure of any hospital, aside from the Royal Ottawa or the William Osler, to contend with.

The Bank of Canada announced a prime interest rate cut today. Ontario is the beneficiary of falling gas prices. Ontario is the beneficiary of a falling Canadian dollar. I've been to maybe a decade of gloomy finance committee hearings where everybody knew the situation facing Ontario was a pretty bleak one as we staggered out of the last recession. But the Ontario economy has actually started to outperform a number of its peers, and in some other areas—the Ontario economy is the beneficiary, for example, of increased federal transfers, almost half a billion dollars more than was the case. I know we need more, absolutely, and we need to have pressure on the federal government to honour and extend the health accord at a federal level. Absolutely, we need to deal with the question of federal transfers, but Ontario has a revenue problem which is causing it to starve these institutions, and the revenue problem can't be resolved unless we deal with the taxation issue.

It was a little bit risible to hear the presentation before me, because Ontario has been very, very generous to business with respect to taxation at a corporate level. That generosity has not been extended to their employees. I think that it is a good initiative of the government, in fact, that a pension plan is coming for those employees who, if the government did not take the initiative to create one, would wait forever for small business and corporate Canada to create one for them. It simply hasn't happened.

We're calling on the government to end the funding freeze on hospitals: to recognize that it's having a significant impact in restricting access, that it's just not tenable and that, in fact, Ontario cannot continue to fund that service at \$281 per taxpayer less than any other province in the country. We're also asking you to reconsider your P3 building program for the hospital sector; it saddles institutions which are cost-pressured with enormously expensive infrastructure and is simply a very lucrative opportunity for business to feed on a service which should absolutely be provided on a not-for-profit basis.

Thanks so much for the opportunity.

The Chair (Ms. Soo Wong): Thank you, Mr. Hurley.

For this round of questions, Ms. Gélinas, do you want to begin the questions?

M^{me} France Gélinas: Absolutely. Thank you so much for coming. I'd like to drill down on some of the cuts that

you have made public and what you figure will happen to the care that those people receive.

Let's start in North Bay, with the closure of eight mental health beds. You come from the business. You live it day in, day out. What's your best guess as to what's going to happen to people who need mental health care when those beds are no longer available for them?

Mr. Michael Hurley: Well, I think they're going to be medicated and sent home, but these are people, Ms. Gélinas, who, as you know, when they present at a hospital in a stage of acute psychiatric illness, sometimes require for their own safety or the safety of others some temporary institutional care. The ongoing downsizing of these beds has created a shortage of these places, and not only in North Bay; there's a shortage in psychiatric units across the province.

M^{me} France Gélinas: The government would tell us that those people are better cared for in the community. It sounds pretty good.

Mr. Michael Hurley: Absolutely.

M^{me} France Gélinas: What's the reality like?

Mr. Michael Hurley: You know, there's a great quote which I'm happy to be able to read to you—it's very short—from a study by the British National Health Service, looking at deinstitutionalization and the closer-to-home theory. They set up a commission to study it, and they titled this "Magical thinking and Messiah concepts."

"The commission was concerned about the prevalence of magical thinking in current policy and politics, which regards providing more integrated care for older people with frailty closer to home as being a 'silver bullet' to slay the demon of poor care. We described this as a Messiah concept."

They talk about all of their other failed initiatives to pretend that community care existed when it did not. There simply has not been an investment comparable in the community sector, as you know, to provide the pick-up either for the loss of acute-care, complex-continuing-care or alternate-level-of-care beds, or for the psychiatric beds which have closed.

M^{me} France Gélinas: We talk a lot about the 5% of people in Ontario who are using a lot of the health care services. Would you describe the people using those eight beds that no longer exist as part of this group?

Mr. Michael Hurley: I really don't know about that. It's a personal tragedy that any one of us is afflicted with the kind of illnesses that require hospitalization. I wouldn't wish that on anybody. If there is a segment of the population which uses hospitals more than others—for example, elderly people—then that might be a logical

expectation of what happens to the human body after a lifetime of living and working. So it shouldn't come as a shock, right?

The Chair (Ms. Soo Wong): Ms. Fife, do you want to ask a question?

Ms. Catherine Fife: Thank you for the presentation. I wanted to just touch on—and thank you for raising the issue of P3s and the privatization agenda. The auditor's report should have an impact on the way that capital and operational funding is flowed to hospitals.

Can you talk broadly about the privatization agenda of this government and how it's affecting health care in Ontario?

Mr. Michael Hurley: Absolutely. Of course, CUPE represents the staff who work in hospitals, so, admittedly, we have a bias, for sure. But what we see is, first of all, the privatization of infrastructure, the privatization of many of the support services, like materials management, like food services; in some cases, housekeeping, even though housekeeping has clearly been identified as a service that should not be privatized, at least in Britain, because of the implications for the safety of patients. But there's also pressure now to privatize clinics and to move them to free-standing clinics which will do surgeries like cataracts and other surgical procedures. Our concern around that really is that these services are co-owned by doctors at the outset, can be purchased by corporations and will inevitably lead to gouging of the public through user fees. But also, there are significant quality concerns in moving services away from hospitals that have an emergency department to a free-standing facility which doesn't have one, albeit it's only a fraction, a sliver of—

The Chair (Ms. Soo Wong): Mr. Hurley, can you wind up, please?

Mr. Michael Hurley: —of the population that goes into some acute episode when they are being treated. But there are people who routinely die in the United States, which causes the US Congress to suspend funding for those clinics in the United States for a period of time.

The Chair (Ms. Soo Wong): Thank you, Mr. Hurley, and thank you, everybody.

Mr. Michael Hurley: Thanks so much for having me.

The Chair (Ms. Soo Wong): Before we adjourn, I just wanted to let everybody know that the Clerk has informed me that the presentation from Ms. Higgs from the Sudbury and District Home Builders' Association has been submitted to him, so we will get copies tomorrow.

All right. We will be adjourning to Ottawa. Thank you.

The committee adjourned at 1231.

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**Assemblée législative
de l'Ontario**

Première session, 41^e législature

Official Report of Debates (Hansard)

Thursday 22 January 2015

Journal des débats (Hansard)

Jeudi 22 janvier 2015

**Standing Committee on
Finance and Economic Affairs**

Pre-budget consultations

**Comité permanent des finances
et des affaires économiques**

Consultations prébudgétaires



Chair: Soo Wong
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LEGISLATIVE ASSEMBLY OF ONTARIO

STANDING COMMITTEE ON
FINANCE AND ECONOMIC AFFAIRS

Thursday 22 January 2015

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

COMITÉ PERMANENT DES FINANCES
ET DES AFFAIRES ÉCONOMIQUES

Jeudi 22 janvier 2015

The committee met at 0900 in the Ottawa Marriott Hotel, Ottawa.

PRE-BUDGET CONSULTATIONS

The Chair (Ms. Soo Wong): I'm going to call the committee meeting to order. I believe the first witness is already at the table.

I'm informing everybody here today that for the witnesses, the first 10 minutes of your presentation are followed by five minutes of questions from the committee members. This round of the questioning will begin with Ms. Fife from the official third party.

Just to let members know: English is on channel 0 and French is on channel 2.

AIR TRANSPORT ASSOCIATION
OF CANADA

The Chair (Ms. Soo Wong): Sir, if you could begin by identifying yourself and your organization, the Air Transport Association of Canada. Welcome.

Mr. Michael Skrobica: Good morning. My name is Michael Skrobica. I am the senior vice-president and chief financial officer of the Air Transport Association of Canada. I'll refer to it as ATAC, by its acronym.

The organization was founded in 1934 and it represents commercial aviation in Canada. It has 180 members Canada-wide; 76 of those are located in Ontario. Members range from airlines serving both scheduled and chartered service; cargo operators; specialty operators, which would include aerial spray, geophysical survey and air ambulances; and flight training units or flight training colleges.

The association is pleased to comment on three finance issues which are of particular concern to our membership. These three issues are: the increase in aviation fuel tax that occurred in the last budget. Fuel costs are usually the second-largest operational cost after salaries for air transport and, as such, are of material concern to air operators. The second issue that I'll talk to is the application of the proposed Ontario Retirement Pension Plan, the ORPP, and the third is the speculation about the possibility of the province introducing a carbon tax or a cap-and-trade arrangement.

With regard to the aviation fuel tax increase that occurred in the last budget, our association believes that

the planned increases will render Ontario businesses uncompetitive. Communities in remote areas will be harmed by higher costs for essentials and health care. The expected recoveries will be less than estimated.

One of the concerns that we have is that the uncompetitive tax rates vis-à-vis neighbouring jurisdictions are not in line with what is being charged by other jurisdictions. I believe most of you have my notes. In appendix A there's a breakout of all of the neighbouring jurisdictions, those jurisdictions that border on the province of Ontario. There's a clear indication that the rates, even today, but certainly when the full effect of the staged increases to the aviation fuel tax take place, will be multiples of what the neighbouring jurisdictions have in place. From our perspective, this will encourage something called tankering: People will buy fuel in neighbouring jurisdictions and use it for operations between those neighbouring jurisdictions and the province of Ontario. This will reduce expected revenues and negatively impact fuel sales within the province of Ontario. It will reduce the fuel tax that you expect to collect and the HST collections that would be also applicable on those fuel taxes.

The second point is: Approximately 39% of students at Canadian flight training schools are from foreign origins. They have the ability to choose where they will be trained. Canada is an excellent location—very competitive—because it's much cheaper to get a private pilot's licence or a commercial pilot's licence here in Canada than it is in foreign jurisdictions, particularly in Europe but also in countries that are experiencing large growth in their aviation sectors, like China and India. Ontario flight schools will be at a cost disadvantage vis-à-vis competitors in other provinces. This will accordingly negatively impact both employment and personal income tax, along with HST collection within the province.

Even prior to the increase in the aviation fuel tax, consumers were driving to neighbouring locations outside of Ontario, such as Buffalo, Detroit, Syracuse and, for people here in Ottawa, Ogdensburg, to begin their journeys. Canada-wide, the total number of such passengers ranges from four million to six million passengers. We would estimate that 60% of this amount (2.4 million to 3.6 million passengers) would originate from Ontario. Increasing fuel taxes on aviation will drive even more passengers to cross the border. This, in turn, will

negatively impact upon employment, provincial income taxes and the HST that the province expects to collect.

Communities in remote areas of Ontario rely upon aviation to provide not just transportation for themselves but also their sustenance: their food and groceries. If you live in some of the communities in northwestern Ontario or along Hudson or James Bay, there are no roads into those locations. To many of those locations, there is no rail. Aviation is the only means to get food and groceries into those locations. As well, most of these remote locations look to travel as a means to access our health care systems because hospitals and specialists are not available in those communities. This tax increase will negatively impact upon those people's ability to exist in those remote areas.

The Ontario Retirement Pension Plan was introduced, though the details are still being worked on, in the last budget. Most of the airline members of ATAC maintain pension schemes for their employees. There is, however, a tradition in the flight training communities, the flight schools, that pension plans are not maintained for staff. This tradition comes about because flight instructors are seen as an entry-level position, akin to an apprentice. Instructors gain valuable flight time, which enables them to move on to better-paying pilot jobs at airlines. Most flight schools are small, marginal operations which could ill afford a 4% increase in wage costs, which is usually the largest operational expense that a flight school will face.

Finally, the carbon tax: In June 2012, the government of Canada and the Canadian aviation industry developed Canada's Action Plan to Reduce Greenhouse Gas Emissions from Aviation. In line with broad international consensus, the action plan sets a goal to improve fuel efficiency from a 2005 baseline by an average annual rate of at least 2% per year until 2020. The aviation industry in Ontario does not need a carbon tax to spur efficiency. Transport Canada's full-cost accounting project for transportation modes clearly indicates these modes that require corrective action, and aviation is not one of them.

0910

Our recommendations are:

- (1) Defer any further increases in aviation fuel taxes.
- (2) Exempt flight schools from the Ontario Retirement Pension Plan requirements.
- (3) Do not impose a carbon tax or a cap-and-trade scheme upon aviation in the province of Ontario.

Thank you, and I'd be pleased to take questions.

The Chair (Ms. Soo Wong): Thank you very much. Ms. Fife, do you want to begin the questioning?

Ms. Catherine Fife: Thank you very much, Michael, for coming in and sharing your concerns.

With regard to the aviation fuel tax increase, at the time it was introduced in the last budget, the messaging around it was that the industry could handle the increase and it would have minimal impact on businesses across the province. Can you speak more to what your members are hearing?

Mr. Michael Skrobica: From our standpoint, we believe that type of messaging was incorrect and misleading. From our standpoint, if you look through the various sectors within our transportation mode, we already had a problem before the last budget with regard to passengers moving across the border. We believe that you're looking at about 5% of the total market going to foreign locations to start their flights. We believe that is a wrong-headed move. You're not encouraging employment or economic transactions within the province; you are forcing them outside. It's a simple ride to go from the GTA into Buffalo. Likewise, for southwestern Ontario, the drive down to Detroit is pretty common, and we've got concerns here in eastern Ontario about people going to Syracuse and Ogdensburg. Why are we forcing business outside of the province?

Likewise with flight training, a very substantial amount of the business of these schools is foreign-originated, and as a consequence these people have an option to go to other Canadian flight schools, whether they're in Vancouver or in Manitoba or in the Maritimes. It makes no sense to drive business away and lose other revenue sources for the province by way of HST, personal income taxes etc. within the province, and force it to go to other locations.

Ms. Catherine Fife: This concept of "tankering"—this is the first time I've heard about this. Could you talk a little bit more about that consequence?

Mr. Michael Skrobica: I'm sure you'll be glad to know that all planes carry more aviation fuel than they need.

Ms. Catherine Fife: Yes. Well, we just travelled from Fort Frances to Sudbury, so we've been talking a lot about gas, actually, in planes.

Mr. Michael Skrobica: Yes. There is capacity for the air carriers to purchase their gas in other jurisdictions, whether it's the province of Manitoba or Quebec, which for international flights has zero rating, and all of the US locations which are lower than the Canadian locations. It's very possible that you'll be seeing a lot of fuel being purchased outside of the province and moved across the border. This hurts fuel sales within the province. You don't collect the HST that you're already collecting or expecting to collect there. It's going to eventually hurt employment within the province of Ontario.

Ms. Catherine Fife: Thank you. One final question—

The Chair (Ms. Soo Wong): One minute.

Ms. Catherine Fife: We don't really know what the carbon tax is going to look like, or carbon pricing; we haven't seen that impact. But why do you make a case—at least you're trying to make a case here—that the industry is already ahead on a conservation basis? Can you speak a little more about that, please?

Mr. Michael Skrobica: I believe, back in about 2007 or 2008, Transport Canada did a full cost accounting on transportation modes. The most efficient was intercity bus, but the second most efficient method of transportation was passenger air transport. The least efficient method was personal motor vehicles.

The Chair (Ms. Soo Wong): Thank you very much for your presentation, sir.

Ms. Catherine Fife: Thank you, Michael.

The Chair (Ms. Soo Wong): Thank you for being here today.

ALGONQUIN COLLEGE

The Chair (Ms. Soo Wong): Our next witness is from Algonquin College: Cheryl Jensen. Welcome. Come on up.

Interjection.

The Chair (Ms. Soo Wong): Thank you. Yes.

So, as you heard, you will be given 10 minutes for your presentation, followed by five minutes of questioning, this time from the government. Please identify yourself for Hansard purposes. You may begin at any time.

Ms. Cheryl Jensen: Thank you. Good morning, everyone. I'm Cheryl Jensen. I'm president of Algonquin College here in Ottawa, Ontario.

Thank you for this opportunity to represent Algonquin College and its eastern Ontario sister institutions at this very important consultation. Our goal is to help inform a budget that will make fiscal sense for the province and harness the full potential of the unique post-secondary educational experience colleges have to offer.

The practical focus of college education delivers demonstrable, material benefits to the province, its communities and the economy, yet funding constraints and certain policies impede colleges' ability to fully deliver on the parts of their mandate that are most uniquely valuable.

To help the province meet its goals, to help us better address the needs of our students and give them the most current, effective and practical education possible, we need the freedom and flexibility to be entrepreneurs. We need the mandate to think differently about the business of college education, about the global marketplace we're competing in, and we need the support to be as innovative and creative as we ask our students to be. That may mean a new approach to both funding and the policies and guidelines we work within.

Just a bit on the links to the provincial priorities: The government of Ontario has made it a clear priority to build a skilled workforce. As the province's colleges, we share that goal. It is embedded in our focus on applied learning.

At Algonquin, for example, we ensure our programs provide the applied knowledge and skills employers need today and will demand tomorrow. In 2012, we performed an analysis of the labour market to identify trends and growth opportunities. We've used that information to inform our planned growth, and we are now on track to offer more than 50 new programs in our credential offerings.

Our college-wide quality assurance process continually reviews our curriculum and program mix to ensure we continue to offer what students and employers need. I

am pleased to say we have achieved high ratings and are planning on extending this review to focus on hybrid and online courses as well.

Our work at Algonquin—and I know it is the same at other colleges in our region—also strongly supports the government's commitment to ensuring a fair society. We strive to attract and support a diverse student body, extending post-secondary educational opportunities to as broad a pool of learners as possible. We're proud of the ways we support the province's goals. We know we can do even more with the government's help, ensuring we make the most of every available opportunity.

What kind of help do we need? Like all of the colleges in Ontario, our fiscal pressures have a direct impact on our students. For example, apprenticeship programs are fundamental to our education model, providing our students with the opportunity to apply their skills in the field, while connecting them with potential employers. But funding for apprenticeships has not increased since 2009. When adjusted for the cost of living, that means that funding has decreased. Unless a program is twinned to another post-secondary institution to share equipment or other programs, we are operating many of these programs at a loss.

Innovation and applied research: At Algonquin, we pride ourselves on being a leader in innovation and applied research led by an engaged and talented core of faculty who have created hubs of expertise that address the needs of local industry. We've always felt this was important, not only for the benefit it provides local businesses and industry, but also for the learning opportunities for our students.

0920

The impact on industry is tangible. For example, we've helped Impact Protective create a Bluetooth sensor for hockey players to help monitor concussions by relaying information on head trauma to coaches on the bench.

We've also worked with HousAll, an emergency rapid shelter company, to accelerate their commercialization by one and a half years. This allowed them to deploy shelters to Haiti after the last earthquake, and we helped send students and staff down to provide training on set-up.

These kinds of experiences have given our students invaluable exposure to innovation and applied research through hands-on experience, helping them enter the marketplace with the right skills and expectations.

It's important to note that this work on applied research is supported not by the province or by industry, but rather out of Algonquin's own funds. While the province provides innovation funding, it's primarily geared to universities, and the benefits are typically the greatest for faculty. Nevertheless, applied research is mandated as part of the college system, without funding to support it.

Capital funding is essential for the growth of colleges, as well, bolstering our ability to attract new students and provide the facilities and tools for a comprehensive,

workforce-ready education. The perhaps counterintuitive thing about capital spending is that it can produce a strong, measurable return on investment. New and improved facilities, for example, can provide significant ROI through redesigns that optimize the efficiency of existing square footage, reducing heating and energy requirements, streamlining cleaning and maintenance, and more.

We're working to seize these kinds of opportunities at Algonquin; for example, through our very notable partnership with Siemens Canada. The company is working with us to implement a wide variety of energy-savings measures, leading to almost \$4 million in energy savings every year. Those savings will be directed towards addressing our deferred maintenance needs, which I'll speak about in a moment, reducing the burden by up to \$20 million.

I want to pause, though, and suggest that the very definition of "capital" used by the province for budgeting is outdated, if I could say so, as it focuses only on our physical facilities. The evidence all around us is that the future is digital. IT infrastructure should be considered capital as well. It truly is infrastructure and indispensable to 21st-century education. Directing capital investments towards mobile and online learning could dramatically increase the quality and service capacity of college programs. Algonquin's digital college initiative is an excellent case in point, and I do acknowledge and applaud the province for supporting it. Two thirds of the funding for the digital college initiative was provided by the province.

We realized early on that while we're always looking to expand our offerings and reach more students with more programs, we can't keep building buildings. We don't have the funding. We don't have the space. But that doesn't mean we can't expand our offerings through online and mobile programs, reaching more students while focusing on upgrading our existing facilities, rather than expanding our physical footprint.

Today, as a result of that initiative, Algonquin has almost 30,000 registrations in online courses and programs, with 72,000 more in hybrid physical and digital programs. These extensions of our offerings have allowed us to accommodate many more students than physical, classroom-based learning would have allowed us to do on its own. We have the highest per capita student body relative to physical space of any college in the province.

I want to mention deferred maintenance, if I can. A further area of concern for us and all colleges and will be, I'm sure, emphasized by Linda Franklin, for colleges around our region in particular, is the issue of deferred maintenance liability. While the issue has been addressed in previous budgets, the level of support isn't currently sufficient to meet impending challenges. Our deferred maintenance liability has doubled over the last four years, from \$40 million to \$87 million. This is due to the aging of our facilities. Those built in the mid-1990s are now reaching 25 years of age, a point at which systems and

infrastructure begin to fail. Our current funding has not allowed us to maintain these facilities to the required degree, and the wear that has begun to show directly affects our ability to provide a world-class education. A roof leak in one of our buildings has directly affected our language learning institute. The complete replacement of a failing HVAC system in another building over the course of eight months caused significant disruption to several classes.

Our estimates suggest we will require a one-time investment of \$52.3 million to reduce our deferred maintenance liability back down to \$35 million, and an annual investment of \$14 million to maintain that level. These are significant amounts. New funding is needed to address this issue, as the problem will only be exacerbated over the coming years.

If I can speak for a minute to international: Despite the fiscal pressures and challenges we face, there are a number of opportunities for growth, for colleges to become increasingly self-sufficient and less reliant on public funding. Taking our expertise overseas is a fantastic opportunity not only to help provide vocational and trade education in underserved countries, but also to take steps towards financial stability here at home. A number of markets around the world have shown high demand for the type of education colleges like Algonquin can provide, and working in those markets can fulfill their needs while improving our sustainability.

Currently, the province's international student recovery fee serves as an impediment to seizing the international opportunity in full. The fee, as you likely know, adjusts operating grants based on the number of students served internationally, and is a deterrent to some jurisdictions that might otherwise look to Algonquin and other colleges for educational services. Ideally, colleges like Algonquin should be self-sufficient, and exploring international opportunities can be a major step towards this goal.

The Chair (Ms. Soo Wong): Ms. Jensen, can you wrap up your presentation? Thank you.

Ms. Cheryl Jensen: Yes, I can.

Funding will always be limited, but allowing colleges to seek out new revenue streams like international education always gives us ways to improve.

Working together with the province, we know that we can find the right balance between fiscal responsibility and an investment in the next generation that provides dividends for years to come.

Thank you so much for allowing me to bring these issues to the table today.

The Chair (Ms. Soo Wong): I believe Ms. Hoggarth will begin the questioning to you, Ms. Jensen.

Ms. Ann Hoggarth: Good morning.

Ms. Cheryl Jensen: Good morning.

Ms. Ann Hoggarth: I'm from Barrie. We have Georgian College in Barrie, and it's a wonderful community partner.

Representatives from the Barrie construction industry were in to visit me just last week and told me that they

need more skilled workers. I know that your college does a wonderful job of educating those workers, and our government knows how valuable this contribution is to the productivity and the economy of the province. Thank you.

Ms. Cheryl Jensen: Thank you.

Ms. Ann Hoggarth: Also, I know that many of the colleges are looking to add diploma/degree programs and are introducing more programs working towards productivity, innovation and entrepreneurship, and many are doing this through partnerships. Our government welcomes all of these initiatives. We love the words “partnership” and “innovation.” That’s very important, and that’s the direction we should be going.

I have a question for you: What tangible results have you achieved at Algonquin College from the funding made through Ontario’s Productivity and Innovation Fund?

Ms. Cheryl Jensen: The Productivity and Innovation Fund, at Algonquin, has been critical for our digital strategy. If you talk about apprenticeship, or all of our programs, it’s all about access. We know that we have students who come to Algonquin through that Productivity and Innovation Fund who wouldn’t have been able to enter into our programs otherwise: single moms at home or people who are working and looking to improve their education. It’s because of our digital strategy and our focus on connecting our learners to the college. That’s what we’ve been using those funds for, and we’re very grateful for that.

Ms. Ann Hoggarth: Also, two years ago you got a new \$79-million building?

Ms. Cheryl Jensen: Yes. If you take a look at our construction building—and this would certainly be key to the questions that you’re asking and the focus on trades—our construction excellence centre really marries apprenticeship programs, degree programs and diploma programs into one facility where they can all work together, as they would in the workforce. The building is a LEED Platinum building, so we’ve used sustainability as one of the key principles. I think you’ll see that at all of the colleges. The use of the Productivity and Innovation Fund has allowed us to do that.

Ms. Ann Hoggarth: Great. Thank you very much.

The Chair (Ms. Soo Wong): Are there any more questions from the government side?

Thank you very much, Ms. Jensen, for your presentation.

Ms. Cheryl Jensen: Thank you very much for this opportunity.

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MR. ROBERT ARMSTRONG

The Chair (Ms. Soo Wong): Our next witnesses are Robert Armstrong and Lisa Swant. Good morning. Welcome. Do we have the microphone close enough for you?

Mr. Robert Armstrong: Please wait a moment.

The Chair (Ms. Soo Wong): I just want to make sure the microphone is close enough. I think staff is going to double-check.

Mr. Robert Armstrong: It’s fine. I’ve been here before. Just be patient.

I’m going to take my jacket off. It’s cold outside, as you know.

The Chair (Ms. Soo Wong): Yes. It’s minus 9 today, I think, minus 10, something like that.

Interjections.

The Chair (Ms. Soo Wong): Good morning.

Mr. Robert Armstrong: Good morning.

The Chair (Ms. Soo Wong): Sir, can you identify yourself for the Hansard—yourself or the organization you represent?

Mr. Robert Armstrong: I don’t know what you want to know, but I was here before, in March 2013. I raised some issues. Regrettably, not much was done about it.

You’re here on a rather memorable day. It’s three months today that the young man was shot at the cenotaph. That’s the sadness. On a lighter moment, I’ll quote Marshall McLuhan, who said that Ottawa was the tomb of talent, the fount of dollars and the snorkel centre of underwater thought and orders-in-council. So you can take that with you.

My name is Robert Armstrong. I was for many, many years assistant deputy minister of the Department of Labour, among other things.

Anyway, I want to thank you for this opportunity. To my left is Lisa Swant, who is the executive director of a group called Libra Seniors Services. My dear nephew is here helping. He’s a scholar, among other things.

I have a very short presentation, and I want to thank you for coming to this wonderful city. You don’t have to skate, by the way; it’s not mandatory.

Obama affordable health care has been ruled constitutional, as you know, at the Supreme Court. However, it continues to be challenged by some states. We are here to challenge the tax regime as it relates to health care. As the Globe and Mail recently put it, “Tax policy might seem obscure, but it can and should be used to make society more equitable.” The US system is very complex. By comparison, ours is simple and direct. However, it has to be acknowledged that there are significant gaps.

There is no provision for long-term care, and I think it’s pretty obvious by my getting in front of you that I probably need long-term care. In Ontario, it’s provided on an ad hoc basis: some public, some private. There appears to be some bias, more towards the institutional side.

There are two components that we want you to consider. They are home care and related medical support. Now, what do we mean by home care? I’ll just recite from an earlier paper. With age there comes a loss of mobility, although some basic tasks can be performed. “However, with the onset of some disability, problems of balance and the risk of falling require support and help in the home....

“The support required for thousands” of people in Ontario “is not every day but perhaps two or three times

a week, to assist with bathing, changing linen, doing a wash, helping with basic housekeeping, and then changing a dressing. In addition, accompaniment is required for shopping, medical appointments or exercise classes.

"For those who have the means, these services are available privately. They are not readily available publicly, and where they are, they are subject to change" and threatened to be discontinued on very short notice.

You'll notice that the government has cut back on child care. Cuts are regularly—the public side gets cut first thing.

What do I mean by "medical"? Medical appointment; doctor and wellness; emergency assessment; nurse advocate; hospital visit follow-up; hospital visit drop-off; discharge from hospital. You might wonder: What's medical? Well, if that's not medical, I don't know what is.

Let me go back to my major notes here. The principal issue is that home care is, in fact, health care, and it's being taxed. Care is considered a service in the same way as getting your car washed or your hair coloured. Before the government changed, McGuinty was still in office. I called his office one day. They said, "Well, it's a service." I'm repeating: It's not getting your car washed or your beautiful hair coloured—and some of you have beautiful hair colour. It's not a service in that sense. It's shocking the way venerable seniors are being treated.

On the personal income tax side of an income of approximately \$75,000, the offset, the refund is 1%, \$750. On the home care side, expenses of about \$25,000, I received an offset of less than 5%, about \$700. These expenses are not taken out of the sky; they are real and they're well documented. My friend here is the executive director of Libra services centre. They don't fool around. There's no padding in that. These are real expenses.

Also, you should understand that the monies paid to our caregivers are taxed in their hands. It's not a giveaway. I get very little offset from government. What I pay is taxed in the hands of my caregivers. There's something very, very wrong in that. It's difficult to see the fairness in this. Mrs. Wynne talks about fairness. Very well.

We helped put the country together, and we're being pushed aside and treated in a very shabby way. You may think that's hard stuff, but that's how I see it. Governments are, in fact, taxing health care at the provincial and federal levels. HST on the one hand—I know that's a joint thing. You guys are involved.

We are raising substantial grievances that have to be acknowledged, and steps taken to remedy what is, on the face of it, not equitable. The issues affect thousands of people in cities across Ontario. You might want to know. People who unfortunately—or fortunately—live in small hamlets don't have the access to care that I have. But plenty of urban cities—Ottawa, Kingston, Hamilton, Burlington, Sarnia, Windsor—some of you are perhaps from those cities. How will I put that? It could be a winning political issue, if you were aware and had the sensitivity. It's fine to build roads. I'm all for roads and

infrastructure; that's great. But you're ignoring people like me and others.

This is not a photo op. You're pushing us to the edge of elder abuse; that's what you're doing. Governments are abusing us. We're a significant portion of the population. I repeat, we helped build the country. I did represent Canada in the ILO, just for the sake of it. I was appointed there by Mr. Clark, who had the wisdom to do that. The ILO is the International Labour Organization. Recently, they did a study of women who control significant assets in the country—in fact, in the world. They concentrated on major enterprises. Women control about 30%. Only 5% of the women are really in direct control of those companies. The ILO said that it would take 100 years for the disparity to be altered, to become even.

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You guys don't have 100 years; none of us have. I'm not going to plead with you, but I'm raising substantial issues, and you're not doing a bloody thing about it. Is that annoying? Yes. Is it disappointing? Yes. Do I feel abused? Yes. Do I merit that? No.

There are thousands of people like me in Ontario, and millions in the country, and where are we? We are being mistreated by our own governments. If you can explain that to me and justify that—it's not a sexy issue, all right? I agree with that. We're not building the pipeline. We're not extending the railway. We're not the Ring of Fire people, but we deserve some attention, and we're not getting it.

I know it's not at the top of people's agendas. That's pretty clear. I read a couple of newspapers every day—maybe too many: the New York Times, the Citizen, Le Devoir, La Presse. I follow what is done very fully.

The Chair (Ms. Soo Wong): Can you wrap up your presentation?

Mr. Robert Armstrong: What's that?

The Chair (Ms. Soo Wong): Can you wrap up your presentation?

Mr. Robert Armstrong: I can't hear you.

The Chair (Ms. Soo Wong): I just said, "Can you wrap up your presentation?" Your 10 minutes is completed.

Mr. Robert Armstrong: My 10 minutes is completed?

The Chair (Ms. Soo Wong): Yes, and we want to have some opportunity—

Mr. Robert Armstrong: Well, of course.

The Chair (Ms. Soo Wong): —for the official opposition party to ask you some questions.

Mr. Robert Armstrong: Yes. I'd like them to ask questions, and I'd like you all to take this to heart and act upon it. I was here two years ago, and very little has happened. I'm repeating, it's not a sexy issue—pardon if I use that term. It's not a high-profile issue, but it impacts thousands of people in Ontario and millions in the country, and I think it's unfair. We helped build the country. Mr. Harper says it's a great country, yes, but there are deficiencies, and I think you should pay attention and act.

Questions? Go ahead.

The Chair (Ms. Soo Wong): Okay. Mr. Fedeli or Mr. McNaughton? Mr. McNaughton.

Mr. Monte McNaughton: Thank you very much for presenting here today, and thanks for everything that you've done in the public service to make Canada better. I wonder if at some point you'd be able to submit your presentation, because I think it would be great to have it documented. I'm sure the Chair may ask for that as well.

Mr. Robert Armstrong: It goes into Hansard.

Mr. Monte McNaughton: Okay.

You talked about HST and health care. I wonder if you could give some examples. You just quickly mentioned it, and I wonder what examples you could provide.

Mr. Robert Armstrong: Well, on expenses of about \$25,000, the HST took about \$3,000. The HST is at 13%, and if the expenses are about \$25,000—the care people work hard, and they have to run an enterprise. They have to pay their salaries. I'm repeating: Everything I pay is taxed in their hands, so it's a double whammy, if you will.

Mr. Monte McNaughton: Right. You talked about home care being taxed. Is your recommendation that the HST be eliminated on home health care services?

Mr. Robert Armstrong: It should be exempt. Listen, I know governments want the money, all right? But it's unfair. The bottom line is that governments are taxing health care. That's what you're doing. Home care is not maid service; it's not housekeeping. I've described what it is. There's lack of mobility, and there are balance problems. You need assistance—not every day; two or three times a week, but it mounts up. It's several thousand dollars. Listen, if you were taking HST at \$200 or \$300, I wouldn't give a goddamn, but it's thousands of dollars, and it's the same with the federal tax. It's as if the \$25,000 is vaporized. You never see it again on your return. They make a calculation, and you get a refund of \$751.19.

Mr. Monte McNaughton: Just so I know: Prior to the HST coming in in Ontario—

Mr. Robert Armstrong: I wasn't that sick then.

Mr. Monte McNaughton: Was health care—did the PST and GST apply?

Mr. Robert Armstrong: What's that, sir?

Mr. Monte McNaughton: Did the PST and GST apply prior—

Mr. Robert Armstrong: Listen, I wasn't in that domain.

The Chair (Ms. Soo Wong): Yes, it was always there.

Mr. Monte McNaughton: I was just curious.

Mr. Robert Armstrong: I'm being totally honest with you. This lack of mobility is fairly recent. When I represented Canada in the ILO, I didn't have any of these issues. I've been surprised, and I wonder how it is that I came to this state. But I'm not alone in that. I can't tell you the history of the HST but I know it's a shared element. Ontario doesn't get all of it; the feds get some. In BC they rejected the amalgamation, the fusion, and

they have a provincial BC tax. They're two different taxes. They have their own, provincial and federal, but we fused them in Ontario. They hid it, in a way. There's nothing harmonized about the tax, I can tell you.

Mr. Monte McNaughton: Okay, just one question: Do you know, since this is the finance committee, what it would cost the treasury?

Mr. Robert Armstrong: A lot of money, but I don't care about that.

Mr. Monte McNaughton: Okay.

Mr. Robert Armstrong: I helped build the country.

Mr. Monte McNaughton: Yes.

Mr. Robert Armstrong: And my colleagues helped build it and we're being treated—we're being pushed aside as if we don't exist. We do exist, and we're angry. We're not on the streets yet.

The Chair (Ms. Soo Wong): Mr. Armstrong, your presentation is up. Thank you so much for your presentation. If there's any written submission, can you please submit it to the Clerk by next Friday, by 5 p.m.? Thank you very much for your presentation today.

All right, our next—

Mr. Robert Armstrong: There's no written—it's being recorded here. If you have the time, you'll read it. I want to thank the people who helped organize and helped me get here—

The Chair (Ms. Soo Wong): Thank you very much.

Our next witness is the Canadian Mental Health Association, Ottawa branch.

Mr. Robert Armstrong: Don't push me out, Madam.

I want to thank all of you for coming here. I want to thank the people who organized the meeting. They all deserve credit. Esther, particularly, was very, very helpful. That all should be recognized.

The Chair (Ms. Soo Wong): Thank you.

Mr. Robert Armstrong: I want you to recognize it, and I want to thank you for coming here, and I'd like you to take it to the table. It's fine. I built your plants, and I don't [*inaudible*] but you're ignoring us. Am I fed up? Yes. Are we going to take it to another level? Yes.

The Chair (Ms. Soo Wong): Thank you.

Mr. Robert Armstrong: You might see a one-page ad one of these days in the papers that maybe you'll have time to read. We need much more public exposure than it's getting, and that's the next chapter. Thank you.

The Chair (Ms. Soo Wong): Thank you. Thank you very much. Your comments are noted.

Mr. Robert Armstrong: Now act upon them.

The Chair (Ms. Soo Wong): It's a collective acting. All right, thank you.

CANADIAN MENTAL HEALTH ASSOCIATION, OTTAWA BRANCH

The Chair (Ms. Soo Wong): I believe the Canadian Mental Health Association folks are here. Thank you. Come on up. Welcome, ladies.

As I said earlier—I believe you sat when I made the introduction—you have 10 minutes for your presentation,

and this round of questions will be from Ms. Fife from the third party. You may begin at any time. Please identify yourselves and your position with the Canadian Mental Health Association. Welcome. You can begin.

Ms. Jennifer Eastham: I wish to thank the committee for allowing us to speak. I'm a volunteer with the Canadian Mental Health Association. I represent poverty elimination and I'm a mental health advocate.

Ms. Christine Gagné: And I'm Christine Gagné. I am with the association for 15 years. I'm the community mental health consultant.

Ms. Jennifer Eastham: Living in poverty is very taxing on one's health. Living on the Ontario Disability Support Program is not easy for several reasons. If you get a rate increase on your ODSP cheque, that raise is clawed back by the social housing authority where you live, and put towards paying rent. Hence, my rent increases every time I obtain a rate raise on the shelter allowance given to me by ODSP. Increase in the rent outside of the shelter allowance rate raise comes out of my personal allowance. I have therefore less money to spend on food. Living on the money we get every month gives us no extra money for any emergencies.

We don't know from month to month if we're going to have enough money to pay rent and hydro. Depending on where you are living, rates can be very expensive. If I didn't have a food bank to go to to get food some months, I wouldn't eat, because I pay hydro costs which increased from \$100 to \$200 per month.

Because I live on ODSP, I can't have my electricity on during the day because the full hydro rate is on. I try to reduce my amount of hydro by turning off my power between the hours of 6 a.m. and noon, and 3 p.m. and 7 p.m. I wear many sweaters to stay warm and not get sick. Because I have underlying conditions where I have to use a CPAP machine, the cost of hydro is even more expensive. My monthly bill can be up to \$250 a month, depending on my daily schedule.

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Because of my disabilities and my health conditions, I'm forced to get part-time work. Even with the extra income coming in, I struggle to pay my bills on a regular basis. Some months I end up paying my rent and the hydro first, with whatever is left to pay for food.

The food I buy and receive from the food bank is not healthy. It's full of additives, fats and sugar, and is generally perceived by health professionals as not healthy. I can't obtain healthy foods because it's too expensive and costs around \$250 a month. Fresh fruit and vegetables are not cheap, and if you want to be healthy, you need to buy the more expensive foods. If you have a disability and health conditions that require healthy foods, you can't always eat the food you are given by the food bank. Therefore, it makes it quite difficult for me to stay healthy and to stop the progression of some illnesses.

It is difficult for me to access my local food bank, as it is far and there is little or no public transportation, because I live in a more rural sector of the city of Ottawa. My housing provider is a social housing organization.

I know several people who need special diets but are having a very difficult time to survive because they can't get the right foods for their special needs to treat certain illnesses and conditions like leukemia, hyperglycemia, diabetes, lactose intolerance, avoidance of anaphylactic shock due to food allergies, and access to gluten-free foods. This is because of the cuts in the special diet allowance.

Eating foods that are low in nutrition and/or foods that you need to avoid due to these conditions but have no choice but to buy because of your finances creates grave consequences to those who eat them and shouldn't. Many end up in the hospital, which raises the cost of health care for all and takes up scarce resources and time.

Because there is no community start-up moving allowance anymore, people are unable to move into new apartments because they don't have the money to be able to cover the costs. There are many reasons why people on ODSP and Ontario Works need to move, such as being overhoused in the social housing system, fleeing abusive relationships, neighbourhoods that are unsafe, obtaining an apartment after being homeless, hydro being too expensive, the apartments no longer being affordable, the need for an accessible apartment because of their disability, the apartment being uninhabitable etc. No community start-up benefit means that people can't get their basic needs met, such as curtains, blinds, curtain rods, and paying for movers, beds etc.

I no longer have access to certain needed disability-related supplies and assistive devices because some of the items that were once covered and paid for by ODSP are no longer paid for. I have a serious back condition that requires specialized orthotics and shoes that are no longer covered and paid for by ODSP. This creates a financial burden for me, as I have to spend money I don't have to pay for physiotherapy and other services and devices. Because of this, I have to take painkillers to manage my pain and to be able to continue to live my life. My part-time job pays for the physiotherapy that I must do twice a month in order to stabilize my condition so it does not get worse.

I have two cataracts growing on my eyes and have a history of glaucoma in my family. Because of these conditions, my eyes need to be checked more often than usual. I also have an eye problem that is related to my dyslexia called Scotopic Sensitivity Syndrome, which needs to be checked regularly. However, since the cuts to vision benefits, I am unable to obtain my regular check-ups more than once every three years. These changes put me at increased risk of illness and other related complications.

In order to be happy and healthy, you also need to exercise, have hobbies and be involved in community life. This is not possible on a fixed income. I wish to be like any citizen, where I enjoy life, eat healthy and have basic needs met. However, because I struggle with health issues and disabilities, I am condemned to a life in poverty, full of stigma and discrimination.

Please restore the needed services and benefits as well as raise the rates for social assistance—OW and ODSP—

so that I and people like me can live a more dignified life. We will cost the overall system in health care, justice etc. less if we can pay our bills, eat better and have access to community resources and services. Thank you.

The Chair (Ms. Soo Wong): Thank you very much. This round of questioning is from Ms. Fife.

Ms. Catherine Fife: Thank you very much, Jennifer, for coming in and sharing your experience with us. I think it's really important for every politician from every party to hear how legislation is affecting those who have the lived experience of living in poverty and with serious health issues.

The issue of your hydro is obviously concerning. We've had people come into my office in Kitchener-Waterloo who are trying to decide whether or not to heat their apartments or eat. It's very powerful to hear your story as well. I commend you for doing whatever you can to try to keep your costs down.

You did mention that you work, as well, or you've tried to work. We did introduce that, in collaboration with the government, two budgets ago, to try to build in that \$200 that you can keep and stay on ODSP. Can you speak a little bit to the level of money and what, if any, impact it has had on your life?

Ms. Christine Gagné: She just found out that the cuts to the \$100 benefit—

Ms. Catherine Fife: The transitional health—

Ms. Christine Gagné: The transitional—

Ms. Catherine Fife: I was going to get to that.

Ms. Catherine Gagné: That plays a big part. She's quite concerned about that, because she budgeted for that money.

Ms. Catherine Fife: Exactly. So this is the \$100 a month that was in place to help you—

Ms. Christine Gagné: Yes.

Ms. Jennifer Eastham: Pay for physio.

Ms. Catherine Fife: And enter into the workforce as well; right? So bus fare, clothing, all the additional—and that is being cut.

Ms. Catherine Gagné: Yes.

Ms. Jennifer Eastham: Yes.

Ms. Catherine Fife: This is the place where you should talk about what impact that is going to have on you.

Ms. Jennifer Eastham: That impact on me will force me to stop going to physiotherapy for my back issue and getting the help I need. If that happens, then I'm going to cost the system a whole lot more money.

Ms. Christine Gagné: There have been cuts with the upland of certain health benefits that ODSP did pay. It's sort of like a bouncing ball between ODSP, OW and the city of Ottawa. People are quite confused about that. They're not getting their services met. The things that have been cut—because the city can't provide for it, doesn't have it in their budget—that once they had, such as orthotics: That's why she's going to physiotherapy; because she doesn't have assistive devices anymore, because nobody's paying for it. She's stuck in a circle where she's in a job that she doesn't like, that is not sensitive to her disability. She doesn't have regular

hours. She's being discriminated against in the job. The job is very unstable, on top of trying to juggle her daily things.

Ms. Catherine Fife: Jennifer, your comments around nutritional food as well are very important. The special diet allowance was reduced through ODSP. I think you make a very compelling case with the connection between health costs and nickel-and-diming those who live on ODSP.

I just wanted to thank you. It takes a lot of courage to come here and share your story. I just wanted you to know that it's appreciated.

Ms. Jennifer Eastham: Thank you.

Ms. Catherine Fife: We'll take back the impact that high hydro costs have on quality of life—

Ms. Jennifer Eastham: Yes.

Ms. Catherine Fife: —and definitely the transitional health benefit, as this budget unrolls. When the \$200 was introduced, it wasn't meant to be cut in another place. It was meant to enhance those who live on disability. Thank you very much.

Ms. Jennifer Eastham: Thank you.

The Chair (Ms. Soo Wong): Thank you very much, ladies, for your presentation.

Ms. Jennifer Eastham: Thank you for letting me speak.

The Chair (Ms. Soo Wong): Thank you for being here.

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CEMENT ASSOCIATION OF CANADA

The Chair (Ms. Soo Wong): Our next witness is the Cement Association of Canada. I was just told by the Clerk that the witness is Michael McSweeney. Am I correct, sir?

Mr. Michael McSweeney: Yes.

The Chair (Ms. Soo Wong): And not David Black. Okay. So I just wanted everybody to know: It's Michael McSweeney, the president.

Sir, you have 10 minutes for your presentation. Please identify yourself for the Hansard. This round of questions will be from the government side. Welcome.

Mr. Michael McSweeney: Thank you very much, Madam Chair. My name is Michael McSweeney. I'm the president of the Cement Association of Canada. It's nice to see my MPP, John, here.

Our industry provides Ontario with a reliable domestic supply of cement, required literally to build the foundation of Ontario's communities, economy and the critical infrastructure that we rely on every day.

I'm here today to talk to the committee about how you can impact tax savings for taxpayers across Ontario, make the cement and concrete industry more competitive and improve the environment, all at no cost to the government.

Our industry generates over \$6 billion in economic activity and supports a \$37-billion construction industry. Our industry employs, directly and indirectly, over 16,000 Ontarians.

We applaud the government's recent decision to end coal-fired electricity generation. Our industry would like to follow the government's lead by reducing our reliance on coal as well. Since 1990, we've reduced our GHG emissions by 22% on a voluntary basis. However, we're still responsible for about 4% of GHGs across the country, and about 30% to 40% of the emissions are due to burning coal and pet coke. We'd like to reduce our reliance on coal by moving to low-carbon or carbon-neutral fuel sources, such as non-avoidable wastes like construction and demolition waste, non-recyclable materials and biomass.

We're working with the MOECC on a regulatory change that would improve the current processes, which are very costly for our members, often with uncertain timelines. This posted regulation can be implemented at no cost to the government, help foster innovation and investment in the cement industry, and support the competitiveness of our industry at a time when we need it most.

For instance, if we replaced 35% of our coal use with low-carbon or carbon-neutral fuels, we would keep almost 350,000 tonnes of unrecyclable waste out of the landfill, and our CO₂ emissions would be reduced by 200,000 tonnes annually. It would also save the average cement company \$12 million annually, thus enhancing their overall competitiveness in wanting to do business here in this great province. This money could be reinvested into new technology and plant modernization so we could continue to improve the vitality and competitiveness of the Ontario economy.

In spite of all the work and investments that Ontario has made, the demand for provincial funding always outweighs the money that's available. We believe the government should build on its use of asset management planning by also conducting life cycle assessment and life cycle cost assessments when it is evaluating infrastructure funding requests. This is the best way to ensure the province gets the best bang for its buck.

Life cycle assessment is key to ensuring infrastructure investments deliver maximum economic, social and environmental value, because it takes into account all phases of a project's life cycle, including the all-important use and end-of-use phases. LCA ensures that the financial as well as the environmental costs are factored into infrastructure investment decisions.

A life cycle cost assessment is a method used for assessing the total financial cost of a project by taking into account all costs of acquiring, owning and disposing of a road or a building. By implementing this, Ontario would then have to factor maintenance into the cost.

Think about a road as a car. A new car might cost you, say, \$20,000, but that's not the true cost of owning a car over five years. Through a life cycle cost assessment, you also have to think of the gas, the insurance, the repairs, other maintenance. Over the five years, that \$20,000 car now becomes a \$40,000 car to own and operate.

In the case of an Ontario road project, concrete is generally equal to the cost of an asphalt pavement in

terms of first cost, but certainly in terms of lifetime cost. Asphalt is a soft pavement. You ride into the asphalt, and therefore it typically needs to be repaved every five to seven years. Concrete roads are a rigid surface and you ride on top. They typically last 40 to 50 years and require significantly less maintenance.

I have two examples to demonstrate this. Highway 407 was opened in 1997, and was the first highway built in almost 30 years, since Highway 427 was built with concrete in the late 1960s. If you drive along the original section of Highway 407, you will notice that there are very few repair patches on that highway, and the concrete is in great condition. In contrast, Highway 416, which was completed in 1999, is already showing signs of wear and tear which will require numerous resurfacing projects over the next several years and decades.

By insisting on life cycle cost analysis, the government can stretch already tight tax dollars further. This move will help the government to better manage the fiscal plan into the future by ensuring that the full cost of projects, both capital and maintenance, is properly accounted for at the outset of a project.

One of the reasons that the alternative financing procurement model in Ontario has been so successful is because it recognizes the true cost of a project over a longer period of time. We need to take the lesson learned from that program and apply it to all infrastructure decisions that the province will make. We're not asking you to choose concrete over asphalt; we're here to ask you to recommend in your report to the Legislature that Ontario mandate the use of full life cycle cost analysis and life cycle analysis for all provincially funded infrastructure projects. Once you factor in LCA, let the numbers speak for themselves.

Ontario's industrial electricity rates are twice that of competing jurisdictions. These high power rates discourage industrial renewal here in Ontario and limit job growth. As we all know, capital investment competes globally. In order to win that investment here in Ontario, we need to make sure that our rates are competitive. We believe that there is room to reduce electricity system costs through rationalization and improving regulatory governance. The recent merger of the IESO and the OPA is a great start and should help to improve the system.

We also believe that Ontario's surplus power should be made available to Ontario businesses instead of paying our competitors to take it from us. Last year, the Ontario government spent over a billion dollars paying competitive jurisdictions to take surplus power. We believe that the government should work with Ontario's major industrial users to give us access to that surplus power. For instance, one of my members has said that they would consider building a second grinder for clinker and running it all night long if they had access to predictable, low-cost power. This would mean more jobs and more investment right here in Ontario.

The high cost of power doesn't just affect the cement industry, as you know. Our partners in the steel, lime, food processing, paper, oil and gas, and manufacturing sectors are all affected. The impacts don't always show

up in the form of plant closures, although we've unfortunately had a few of those. The impacts often mean that the Ontario divisions of multinational firms don't win the new product line or the new R&D investment. We hope Ontario will start to improve competitiveness, and I know that you're working very hard studying that, especially Minister Chiarelli.

Finally, Ontario has been doing a monumental job addressing the infrastructure gap. Over the past decade, Ontario has spent an average of \$10 billion annually on public infrastructure. That's an incredible spend, and we're grateful for that. Ontario has also been making significant investments in municipalities. The Municipal Infrastructure Investment Initiative and the Small, Rural and Northern Infrastructure Fund have been very successful in helping our municipalities address their critical infrastructure needs.

We hope that these investments in municipalities will continue. Our municipal partners need long-term, predictable and sustainable funding so that they can work to address their respective infrastructure challenges. We hope that the permanent municipal infrastructure fund will be at least \$100 million annually and that it will continue to be based on the principles of life cycle assessment and asset management planning.

According to the Conference Board of Canada, each dollar of real public infrastructure spending in Ontario generates \$1.11 in real GDP. In the past few budgets, Ontario has maintained a three-year, \$35-billion funding commitment. We urge you to continue this investment—and congratulate you on the past spending—so that together we can continue to grow the Ontario economy and improve the environment at the same time.

Thank you very much.

The Chair (Ms. Soo Wong): Mr. McSweeney, before I turn it over to the government side to ask questions, can you leave your remarks with the Clerk so that we have it not just in Hansard but also written notes?

Mr. Michael McSweeney: Yes.

The Chair (Ms. Soo Wong): I think this round of questions is for Ms. Vernile.

Ms. Daiene Vernile: Thank you very much, Michael, for coming and speaking before the committee, telling us about your industry and sharing your concerns with us. Your association was at Queen's Park not too long ago, and my colleagues and I had the opportunity to attend an event which I thought was very cleverly called the Cement Mixer. Thank you for that.

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I'll tell you that I grew up with a father who was an Italian immigrant and worked in construction all his life, so we talked a whole lot about cement at our house.

You talked a lot about encouraging the use of cement in roads. If you can tell us a little bit more about that—I realize it comes down to cost, so what are the cost differences between using cement and using asphalt?

Mr. Michael McSweeney: We are now in unpredictable times, but we generally say when oil is \$70 a barrel or more, concrete roads are always cheaper than asphalt roads. We're in a blip right now, so for the next probably

12 to 18 months, that won't apply, but in the last 10 years, all provincially funded government highways have been awarded to concrete because they are cheaper to build. Not only that, but because you ride on a concrete surface, trucks will use between 3% and 7% less fuel because they're riding on top of the surface. So when you calculate the number of litres of fuel that are saved, it really is astronomical, and the costs to the environment are also less if you use less fossil fuels.

As well, on concrete highways, because they last 40 to 50 years, there is a saving there, where, as I mentioned earlier, typical asphalt is five to seven years.

With concrete pavements, you get the albedo effect. Concrete is a white surface, so you require 22% less street lighting. So if you factor in the electricity that goes to light streets and highways, there are savings to be found all over.

We have been very fortunate that the last, as I said, 10 highways have been built with concrete. We hope that both the provincial government and municipal governments will look at this going forward.

Ms. Daiene Vernile: You also touched on the \$29 billion in infrastructure spending that our government is committed to, and I understand that this is very positive for your industry. Can you tell us what it's going to mean for you?

Mr. Michael McSweeney: While it means that infrastructure will be built right across the province, it's a broader picture to our association, to Ontarians. It's also about the environment. I was at an event with the Premier last night in Toronto where she talked about the transportation sector contributing the largest amount of greenhouse gases. So we need to look at ways of building infrastructure that will reduce the amount of fossil fuels being used, thus improving the environment.

So in addition to being able to upgrade our rapid transit systems, our LRTs, here in Ottawa, our LRT and the tunnel that's being built, the one that's being built in Waterloo, we're making the right decision to upgrade the infrastructure, build new infrastructure, improve the airsheds because the environment will be better, and keep people employed. That's the bottom line.

Ms. Daiene Vernile: That was my next question, about jobs.

Mr. Michael Sweeney: It's about the environment. It's about jobs. It's about keeping this province a competitive province and getting this province back to being the manufacturing leader in Canada.

Ms. Daiene Vernile: Thank you.

The Chair (Ms. Soo Wong): Thank you very much, Mr. McSweeney, for your presentation. I think the Clerk will follow up with you for those remarks.

Mr. Michael Sweeney: Okay. Thank you.

CHAMPLAIN REGION FAMILY COUNCILS NETWORK

The Chair (Ms. Soo Wong): Our next witness is the Champlain Region Family Councils Network, and I believe it is Grace Welch. Can you please identify

yourself and what your position is, as well as your colleague from your association here today? Thank you.

Ms. Grace Welch: Yes. My name is Grace Welch, and I am chair of the advocacy committee. With me is Rosemary Cavan, who is also a member of the advocacy committee.

The Chair (Ms. Soo Wong): Welcome. You have 10 minutes, and this round of questions will be from the official opposition party. Thank you.

Ms. Grace Welch: I would also like to mention that we have a written submission that we've handed out.

The Chair (Ms. Soo Wong): Okay, that's great. I've just received it. Thank you. Welcome.

Ms. Grace Welch: First of all, I'd like to thank you for the opportunity to speak to you today about issues critical to long-term care in this region and across the province. Our network represents the family members and friends of residents in 61 long-term-care homes in the Champlain region, which is the largest region in Ontario. It includes Ottawa and stretches from Renfrew to Cornwall.

Family councils have been established under the Ontario Long-Term Care Homes Act to allow families and friends to advocate on behalf of their loved ones in long-term care. Essentially, our *raison d'être* is to ensure that our loved ones have quality care in a safe environment where they are treated with dignity and compassion.

Our comments and recommendations are based on our first-hand observation and experience in long-term-care homes, supplemented by reviews of research reports and studies of care for seniors.

The most important issue—and this is a long-standing issue in Ontario—is chronic understaffing. The nature of long-term care has changed considerably in the last decade, particularly in the last five years. Long-term-care homes are essentially becoming acute care hospitals. The elderly are entering long-term care when they are older and frailer and have multiple medical conditions. In my report, you can see some of the statistics, so I'm not going to go into them today. They illustrate the growing complexity of care.

One of the most significant challenges that I think you're all probably aware of is the number of residents with Alzheimer's, reported to be at least 60%. Most residents need help with all aspects of daily living: dressing, feeding and even toileting. At the same time, many long-term-care homes are now providing services that were once done in hospitals, such as IV therapy, chemotherapy and dialysis.

Coupled with the increase in resident care needs are the reporting requirements. They've become much more complex and demanding. More than half of the day for a personal support worker or a nurse is spent on reporting. While monitoring and accountability are important, these activities should not be accomplished at the expense of residents' care. It's said that Ontario has the most highly regulated long-term-care sector in Canada, and it's one of the lowest-funded across the country.

Despite the significant increase in care needs, staffing levels in Ontario long-term-care homes have remained

almost static. There was a government-funded report in 2008 by Shirlee Sharkey that recommended at that point that direct care by a personal support worker or a nurse be 3.5 hours a day per resident. At that time, when they did that report that's now seven years old, all stakeholders said that there was a need for increased staff capacity.

What we've seen, though, is that during that period when we've admitted people with very complex care requirements, it has gone up by 15 minutes a day. What we have is 3.15 hours a day of direct care, which is well below the threshold of at least four hours of direct care, which is recommended in a number of research reports in the United States and Canada as well as by most stakeholders in long-term care, such as the Registered Nurses' Association of Ontario, Concerned Friends of Ontario Citizens in Care Facilities, the Ontario Council of Hospital Unions and the Ontario Health Coalition.

The bottom line is that lower staffing levels are associated with higher levels of aggression—and we all see the media reports about this—more falls, more pressure ulcers, increased incontinence and the use of restraints.

Staff in long-term care are stretched to the limit. This is something that we see on a daily basis. They are a very committed, hard-working group of individuals. In a recent focus group which was conducted by the Ontario Council of Hospital Unions, 91% of the participants said they are not able to provide good-quality care, citing lack of staff and heavy workloads. Those of us who regularly visit long-term care see the impact of insufficient staffing. Requests for toileting are ignored. Food is shovelled into residents' mouths while the care worker is trying to feed multiple people at the same time. Staff are so harried they do not have any time for just basic social interaction, which is so important to the elderly. We all see an increase in critical incidents.

We are convinced that the only way to ensure that government funding goes directly to personal care for long-term-care residents is through a legislated minimum care standard that meets or exceeds that which is recommended in the current research, which is at least four hours. We legislate care requirements for daycare; why not for this other vulnerable population? If we can bring in a legislated standard, we also need to ensure that it is regularly reviewed and assessed against care requirements.

We also would like that the Ministry of Health work with stakeholders to identify ways to reduce the burden of reporting so that long-term-care resources can be committed to personal care for the residents.

The other issue that we've identified is what we call the inappropriate mix of residents. We've seen a significant increase in aggressive behaviours in long-term-care homes across the province. One fact that surprised me that I learned in preparing for this was: Did you know that the Ontario coroner's office reported that there have been 25 homicides in the province's long-term-care facilities between 2001 and 2011? I was shocked. I actually did not know that. And as you'd know, reports of abuse show up in the media on a regular basis.

1020

The closure of mental health centres across Ontario combined with the lack of group homes has meant that long-term-care homes have to accept an increasing number of individuals from the age of 18 on with developmental disabilities, brain injuries, mental health issues, and drug and alcohol abuse problems. Homes designed for elderly residents are being pressured to accept such individuals even when they lack trained staff, equipment and resources to meet the special needs of this population. They're told if they don't accept those individuals, they'll be reported.

It is also not fair to the younger residents who are in homes with the elderly. My mother sat with a young woman who had had a serious car accident. This poor woman sat there with three elderly seniors who couldn't even talk. Just having a little bit of social interaction at mealtime was not there.

Right now, the under-65 population in long-term care makes up 7% of all residents, and that seems to be growing each year. While we're concerned about our loved ones in long-term care, we're also concerned about the staff who care for them. These are dedicated, caring individuals, who are at high risk for personal injury. A York University study from 2008 found that Canadian personal support workers are more than seven times more likely to experience violence on the job compared with their counterparts in Nordic countries. The study attributes this to staff having "to do too much, in too little time, with not enough resources."

So we're asking that long-term-care homes be returned to places for the frail elderly in need of full-time medical supervision and not residences of last resort for a younger population with a range of special needs.

We also need to create specialized homes and supportive housing for adults with developmental disabilities, mental health issues and substance abuse issues.

We need, within the long-term-care homes, to create secure special units for aggressive senior residents and make sure that they are adequately staffed with people who have the specialized training and expertise in dealing with difficult behaviours. The long-term-care homes in the area should be able to redirect admissions or transfer existing residents to these designated special units. Right now, by the way, if a home has an Alzheimer's unit, they don't get any extra funding for the extra staff and extra training required to have that.

We also need to look at the behavioural support program. I think it was a good initiative, but is it going far enough? There are 12 beds in our entire region, and a resident is sent there for a few weeks and then returned back to the home. Is it enough time to actually change their behaviours?

Each home has some very fundamental training on behaviour care, but we need to actually have a core level of behaviour care expertise to deal with aggressive behaviours in each home.

Lastly, long-term-care homes should be allowed to fast-track individuals with behaviour problems to the

appropriate mental health facility, especially when they are under 65.

Our third issue is the lack of long-term-care beds. Care for the elderly—we see it as a transition. My parents themselves went from home care to a retirement home and then to long-term care, but the bottom line is we're not building enough—

The Chair (Ms. Soo Wong): Ms. Welch, can you wrap up, because your 10 minutes—

Ms. Grace Welch: Okay. I'm just going to refer you then to the Globe and Mail editorial from this past Saturday, saying, "Instead of spending billions on makeshift solutions and bad outcomes, Canada's health-care stakeholders should be spending that money on new, properly staffed long-term [care] facilities."

The Chair (Ms. Soo Wong): Thank you for your presentation. This round of questions is from Mr. Fedeli.

Mr. Victor Fedeli: Thank you very much for an incredibly informative presentation. I deeply appreciate it, and for your care and action in coming here.

I find issue number 1, the chronic under-staffing of long-term-care homes, and issue number 3, the lack of long-term-care beds, sort of mesh into one. In the first sentence—or actually the second sentence of issue number 1, you state that long-term-care homes have effectively become acute care hospitals. I would think that that is exactly what has happened, when we look in the hospital and we have people in the hallways of the hospital, in beds in the hallways, because there are no rooms left in the hospital. They seem to try to get as many people out of the hospital as quickly as possible and into acute care in a long-term facility. Is that what's happening? Do you see that? Is that anecdotal, or is that what's happening?

Ms. Grace Welch: That is actually quite true. Even when they have to send people to emergency from a long-term-care home, they bounce them back quicker than a tennis ball across the court.

Mr. Victor Fedeli: I keep hearing that we need to get them out of the hospital and into long-term care because the hospital is one of the most expensive facilities to run. Is that anecdotal, or is that what you hear as well?

Ms. Grace Welch: No, that's true. The problem is, they're doing that, but they're not giving the resources to the long-term-care home to provide the level of care that's required.

Mr. Victor Fedeli: I agree. I find that absolutely unbelievable, in this day and age.

I know our hospital in North Bay is closing 60 beds. As mayor of the city of North Bay only a few years ago, I was there for the ribbon cutting of this brand new billion-dollar hospital. There are 60 beds being closed, yet when I was there visiting a friend, he was in the hallway. I don't understand that.

Ms. Grace Welch: Neither do we. That's what they're talking about: the silver tsunami. In this region alone, we've only had 86 new beds added in the last five years.

Mr. Victor Fedeli: Well, at least you're getting them added. We're getting them closed. I just find that so contradictory to what the reality is.

Ms. Grace Welch: There's an incentive for long-term-care homes to create convalescent beds, which then also reduces the number of long-term-care beds available for the residents of that region.

Mr. Victor Fedeli: There's not enough time to talk about red tape. I was surprised that you said for your public support workers, the reporting requirements can take half of their day.

Ms. Grace Welch: Actually, I think I might have—half of their day is not in direct care. Some of it's reporting; some of it is training. Sorry.

Mr. Victor Fedeli: Okay, that's fair enough.

Ms. Grace Welch: I think I somewhat misreported.

Mr. Victor Fedeli: Your issue number two, the inappropriate mix of residents: Once again, I can only speak to it anecdotally. I visit the long-term-care facilities in my hometown of North Bay and also in Mattawa and Powassan and other areas, and I do find that that has happened. Apparently, it really is not just anecdotal, and it actually does happen.

Ms. Grace Welch: There was a case just reported to me of two very petite personal support workers being cornered by a very aggressive younger man in the home and feeling very, very threatened. I don't remember the resolution of it; it was just reported to me. This is a daily occurrence in long-term care.

Mr. Victor Fedeli: Again, in North Bay, when I was in the mayor's chair, they were closing mental health beds. We had a very old facility. It used to have thousands of patients when it was on the top of the hill in North Bay. We built a brand new facility down on the major highway in North Bay, a wonderfully modern facility, but it had 90 fewer beds. As mayor, I kept saying, "Where are the people that were in the facility going?" They said they would disperse them throughout the community.

Ms. Grace Welch: And some of them are in long-term care now.

Mr. Victor Fedeli: I did not realize that some of them have ended up in the long-term-care facilities. I realize they're on our main street. We have very few facilities throughout downtown, and we see them in our downtown an awful lot. But I didn't realize that they were being put in the long-term-care facilities.

Monte?

Mr. Monte McNaughton: Just a quick question for the finance committee: Where do you see the money coming from to invest—

Ms. Grace Welch: I knew you were going to ask me that.

Mr. Monte McNaughton: Because you have a view on the front line.

Ms. Grace Welch: There are savings to be made in reporting. I haven't reviewed recently—there's an expert panel that looked at trying to free up hours in long-term care. That should be revisited. But it is going to require investment. There's no way around it.

The Chair (Ms. Soo Wong): Ms. Welch and your colleagues, thank you so much for your presentation today.

Ms. Grace Welch: Can I make one very short recommendation? When you go home, if you haven't been to a long-term-care facility recently, please visit. Go there at lunch hour. Watch to see how many people are wheeled in, how many people need help with feeding. That's all I ask.

The Chair (Ms. Soo Wong): Thank you for your presentation.

CHEMISTRY INDUSTRY ASSOCIATION OF CANADA

The Chair (Ms. Soo Wong): Our next witness is the Chemistry Industry Association of Canada. Bob Masterson, the vice-president, is here to present.

Good morning. Welcome. You have 10 minutes for your presentation, sir. This round of questions will be from the official third party, Ms. Fife. You may begin any time. Please identify yourself for Hansard purposes. Thank you.

1030

Mr. Bob Masterson: Thank you, Madam Chair. It's Bob Masterson. I'm vice-president, Responsible Care, with the Chemistry Industry Association of Canada.

Madam Chair and committee members, it's a pleasure to be with you here today and provide input to the Ontario pre-budget consultation on behalf of the province's chemistry industry.

Our industry is an advanced manufacturing sector and we have significant growth potential in Ontario. Today, we're already a \$22-billion industry in the province, making us the third-largest of all manufacturing sectors. We have 42,000 employees today and we support another 210,000 jobs in other important sectors, including automotive, food and beverage, plastics, mining, pulp and paper etc. We are the province's second-largest manufacturing exporter and we pay the third-highest wages in the Ontario manufacturing sector.

As I mentioned, we are a sector that is poised for strong growth, but only if supporting conditions are put in place. Competition to attract investment into our sector and others is very keen, and Ontario must be on its game. There's absolutely no reward for coming second best in this category.

If you look back five years ago, our industry in North America was seen to be a very mature industry without growth potential, but the new shale gas developments and new biomass feedstocks have led to this sector being now the fastest-growing manufacturing sector in North America. Presently, we're tracking 140 projects across North America that have been proposed and announced, and totalling more than \$130 billion in new investments. These are real investments. This is new investment. It's no longer seen to be a mature industry with investment taking place elsewhere.

Ontario has been fortunate. We've seen a portion of those new investments that has included \$200 million for an expansion at the Cytec facility in Niagara Falls and nearly \$400 million to convert the Nova Chemicals

facility in Sarnia to handle cleaner, more efficient natural gas liquids rather than crude oil. In addition, we now have a bio-hybrid concept gaining traction in the Sarnia area, and BioAmber has invested \$125 million in a new biochemistry facility there.

That's good news, but in aggregate those investments pale in comparison to what should have been attracted, given Ontario's historical share of investments in the North American chemistry sector. On even a conservative basis, we believe that Ontario should be able to attract at least \$5 billion in new investments in our industry over the next decade.

We've traditionally had a very competitive advantage in our sector due to a number of factors: low electricity rates and energy costs; a very well trained and experienced workforce; efficient transportation networks; access to markets via the seaway, ports, railways etc. I say "traditionally" because what we've seen in recent years has been a significant eroding of many of those advantages for Ontario's manufacturing sector. Not only has this weakened our sector; it has weakened our customers' and other important manufacturing sectors as a whole. Too many of our former customers have either moved or closed, and that needs to change.

Ontario has taken some important steps. Certainly, the reduced corporate tax rate and moves to a harmonized tax rate were both very important steps that we included in our recommendations many years ago, and we strongly support the province. Those were very important steps on the long, long journey to restoring Ontario's manufacturing competitiveness.

But more has to be done, and we as an industry also share the concern about the overall fiscal health of the province and the ability to meet fiscal targets amid an environment of increasing uncertainty.

What's abundantly clear to us, though, is that while fiscal discipline is certainly important, Ontario will not reach its goals through that alone. We must have economic growth to deliver the solutions needed and restore and sustain the fiscal health of this province.

We believe our industry is especially well placed to make those contributions, but only if we can establish a supportive policy and fiscal framework. More specifically, I have a few recommendations from our industry that we'd like to share with you.

We support the government's target of a deficit elimination by 2017-18. We believe that must be accompanied, though, by a concrete plan of action. If we're unable to do so, that just continues to build uncertainty in the overall business environment and leave us wondering what's going to happen next.

Secondly, we strongly encourage the province to maintain the 10% corporate tax rate. I did talk about those investments that have taken place in the province—certainly more than \$600 million to date. Those are a direct consequence of the improved corporate tax rate for manufacturing.

Third, Ontario—and Canada specifically—needs to look more closely at tax measures concerning depre-

ciation allowance for new investments. The current allowance is the accelerated capital cost allowance that was put in place to support manufacturing. That's helpful, but it's a temporary measure and it's only available for projects that really will take 12 to 24 months to complete. That's why we've seen a number of projects in the area of \$100 million to \$200 million. It's very helpful for that. What it won't do is support the large investments.

In Sarnia there's been talk about a new development there—\$700 million to \$800 million. That won't be helpful for that. The two years is too short. We need either a permanent measure or a longer-term extended measure that will allow for quick depreciation of projects over a five- to seven-year time frame. That's what's in place in the United States. We think that's what we need here in Ontario to be competitive for those investments.

So while that's a federal area of action, we think it's the single largest factor for improving the business case for investment in Ontario. It is an investment issue for Ontario, and we've certainly shared that view with economic development and the Ministry of Finance.

Fourth, it's very important that Ontario begins to address short- and long-term concerns with the competitiveness of electricity. There are measures that could be put in place such as cogeneration and supports for industrial electricity rates. It's especially important for new investments and is a key measure deployed in Quebec and other jurisdictions that, as I say, are competing for that same investment. It's not going to be enough to slow the rate of increase of electricity price growth; we've got to reduce those costs.

That brings me to a very important point that's related to this. Ontario needs to be very careful not to add additional costs to manufacturing via carbon pricing. Ontario made a very bold decision to phase out coal-fired electricity to combat climate change. However, we all know that was a very costly decision. It's had a significant impact on competitiveness in the province. So, in short, from our view, carbon pricing already exists in Ontario every time we flip the switch. Carbon pricing is more expensive and has already delivered deeper reductions than elsewhere in North America. We don't feel it's time to impose new carbon pricing. We do not have any catching up to do in Ontario.

We want to send the right signal to participants and new investors. We are an important sector. We have growth opportunities. We think the province needs to pay more attention to that. I've talked about the infrastructure, the market access and the workforce. We know it's second to none, but for the past few decades it seemed like Ontario wasn't interested in promoting and building on the competitive advantage of our sector, especially in Sarnia. It's a jewel. It's well recognized throughout North America and the rest of the world. We think there's an opportunity for the province to recognize that formally and identify the bio-hybrid chemistry cluster in Sarnia as one of the key industry sectors for investment under Bill 7, and work with industry to make it a priority for investment and growth.

Finally, we think the province needs to send the right signals about manufacturing in general. There has been a lot more positive talk in that area. The province has understood that manufacturing is the backbone of the economy. We need to see continued investment and growth in sectors like automotive, mining, plastics, and food and beverage especially. They're vital for growth in our sector. If they're allowed to continue to decline and aren't replaced by other activities, our sector will be in decline.

Again, the overall investment environment needs to be best in class across the board. We believe that's going to require a long-term strategy on behalf of the province to revitalize manufacturing in the province and return Ontario to its position of economic prominence in Canada.

Once again, on behalf of the Ontario chemistry industry, I thank you for your attention and welcome any questions you may have. Thank you very much.

The Chair (Ms. Soo Wong): Thank you very much. Ms. Fife, you may begin.

Ms. Catherine Fife: Thank you very much, Bob, and thanks for the presentation; some good recommendations in here.

Energy has been a theme at every place. Especially in the north there's a heightened sense around manufacturing—the costs associated with that and the impact it has on local economies.

We had just heard, actually, prior to this from the cement association around the surplus electricity. Do you want to comment on that, because we did spend a lot of money unloading that electricity last fiscal year.

Mr. Bob Masterson: Certainly I'm not an expert in this, but when we talk to our members—and they're receiving letters from jurisdictions south of the border in New York state asking them to come and relocate to take advantage of cheap electricity, which is cheap in New York state because it's been made surplus in Ontario. Just intellectually there's a problem there. I don't personally have the solutions, but this is an area where we're into significant issues and questions, and we've not even come close to having a mature discussion about it.

1040

Ms. Catherine Fife: Okay. A lot of businesses actually have come forward as well—not just for this finance committee process, but in our individual ridings—and there are some concerns about the provincial Ontario Retirement Pension Plan. You did mention it in your recommendations. Is it too early—

Mr. Bob Masterson: I don't believe it's a direct concern for our members, because they all have either a defined benefit or a defined contribution plan. There will not be a direct cost to them. The concern is more secondary: Is it yet another step that undermines the overall competitive position of manufacturing in the province? If manufacturing, generally, is undermined, that's going to have significant impacts on us.

So I don't think we have a particular issue with that particular action. But again, I repeat the call that the

province needs to look at the overall health of manufacturing, look at the overall investment climate, and start to prioritize both what can be done to encourage investment and also what costs are necessary.

Again, I come back to carbon pricing. I'll say it one more time: We have a very strong carbon price signal in place already every time we flip the switch. We get reductions deeper than elsewhere, and they're more costly. Now is not the time to add additional costs to manufacturers here in Ontario.

Ms. Catherine Fife: Thank you very much, Bob.

Mr. Bob Masterson: Thank you for your time.

The Chair (Ms. Soo Wong): Thank you very much for your presentation.

FEDERATION OF URBAN NEIGHBOURHOODS (ONTARIO)

The Chair (Ms. Soo Wong): The next group coming before us is the Federation of Urban Neighbourhoods (Ontario). I've been told by the Clerk that the two presenters are Archie Campbell, the president, and Don Stewart, the treasurer.

Welcome. As you know, you have 10 minutes for your presentation. This round of questions will be from the government side, with Ms. Albanese. You may begin anytime. Please identify yourself for Hansard. Thank you.

Mr. Archie Campbell: Thank you, Madam Chair. My name is Archie Campbell. I am the president of the Federation of Urban Neighbourhoods of Ontario. I'm a past president of a local community association in Ottawa. My colleague Don is the current vice-president of another Ottawa-area community association. Both of our groups are members of an umbrella group of community groups in Ottawa called the Federation of Citizens' Associations. FCA, in turn, is a member of the Federation of Urban Neighbourhoods, which also includes two other umbrella groups: the Federation of North Toronto Residents' Associations, FoNTRA; and the Urban League of London, Ontario. In addition to that, we have individual associations from different, smaller centres that have not yet the critical mass to form umbrella groups, but that's our long-term ambition.

We have been around since 2001 and we have made other, past submissions to this committee in writing. This is our first time appearing in the flesh.

At this point, I'd like to turn the microphone over to Don Stewart, who will give the presentation itself.

Mr. Don Stewart: Thank you for this opportunity to speak to you today.

The Federation of Urban Neighbourhoods recognizes the fiscal challenges which our province is facing at this time. We recognize as well that the big-ticket items in the budget are health care and education, and that it's very important that we maintain these at a high standard, partly because they attract business to Ontario and help us keep businesses here. Recognizing those facts, we also feel that there are other things that must be done.

One of the things that's happening is our urban infrastructure is decaying, probably due to the past down-

loading of expenses onto the municipalities. We believe that high-functioning infrastructure is a key to attracting and keeping business in Ontario, so if we can improve the economy, we can probably help address our budget deficit problems, as well.

We believe the government should provide increased funding and support for urban areas to maintain and enhance their facilities, and put an emphasis on green infrastructure when doing that. One of the places where we can save some money, we believe, is—a while ago, the government made a big fanfare about creating the greenbelt around Toronto, and now we hear that there's a proposal to create a highway through that, between Milton and Vaughan. The reason for creating the greenbelt was to protect the farmland in the greenbelt area, and to protect the watershed for Toronto—the aquifers and the river sources. We believe that this highway is not going to help that at all; that it's, in fact, the opposite. It will have a devastating effect on the greenbelt, will set a bad example, will foster increased use of automobiles and will promote sprawl by encouraging development around that area. We believe that is diametrically opposed to the government's policy of intensification, which says not to have sprawl but to concentrate things, to reduce costs and to improve efficiency, as well as to protect agricultural lands. The proposed highway should be scrapped and the money redirected toward repairing infrastructure, improving public transit and reducing the deficit. In fact, if you stopped that project right now, you could probably save a couple million dollars in assessments, analysis and so on.

Our public housing stock is deteriorating throughout the province, and there is a long list of people waiting for affordable housing. I don't think this is acceptable. These are urgent problems that must be addressed. As well, many colleges and universities have a lack of good-quality student housing, so both Ontario and, I'd say, the federal government as well need to step up and increase the funding for public housing. We suggest as well that non-equity co-ops could also be promoted as a sustainable long-term resource for affordable housing.

Today in our hospitals, we have patients sitting in beds, waiting to get out of there and into a more suitable facility. Those are costing over \$1,000 a day. That's two or three times as much as it would cost if they were in a convalescent or long-term-care facility. We believe that it's important that the government makes the creation of these long-term-care or alternative care facilities a top priority, because there are significant cost savings and there's an added benefit that they are probably far more suitable for the patients that are involved. It's a win-win situation all around.

In his recent address to the nation, President Obama noted that 14 of the last 15 years were the warmest in recorded history, so I think we can say that climate change is a fact, as he has suggested. Therefore, we need to start shifting public resources away from cars and roads toward public transportation systems, including subways, light rail, intercity rail and buses. Urban sprawl, with its proliferation of private, automobile-based trans-

portation, is not sustainable, so we must reduce our dependence on fossil fuels. We recommend that new funding be provided to improve our public transportation systems, putting an emphasis on electric versus fossil-fuelled vehicles.

One of the other big expenses, a significant expense in the budget as we see it, is the Municipal Property Assessment Corp., which currently costs over \$100 million a year. And yet, on the residential side, which is the one that we're interested in, the provincial auditor has pointed out that there are a number of inaccurate results—a significant number of them. Therefore, the system is not really working, and we believe that the province should replace the current value assessment system with one that is fair, consistent, predictable and easy to understand, and that costs significantly less to administer. We have on our website a proposal that suggests one alternative; we're not saying that it's the one, but it certainly says that it can be done for less money, and probably with less fuss and bother by people.

Finally, the question always comes up: How do you pay for things? Well, we recognize that that is an issue and that no one likes more taxes, but we believe that we need to look at finding new sources of revenue if we are going to maintain our infrastructure and reduce our deficit, and we believe that, as much as possible, this should be done using progressive means—in other words, based on ability to pay.

Thank you.

The Chair (Ms. Soo Wong): Thank you very much for your presentation. I think this round of questions is from Mrs. Albanese.

Mrs. Laura Albanese: Thank you, Madam Chair, and thank you for your presentation. I am quite impressed by the number of recommendations and suggestions that you are making. I represent a riding that is in the heart of the city of Toronto—to the west, I would say—so I recognize many of the issues that you are bringing forward.

One of the questions that I wanted to ask you is—I guess it's also to compare notes—in Toronto we see a lack of synchronization of bylaws, if you will, in cities, and I was wondering what your opinion of that would be in regard to planning.

Mr. Don Stewart: Well, it certainly creates challenges, I guess.

1050

Mrs. Laura Albanese: Have you found it to be one of the issues or not?

Mr. Don Stewart: I lived in Toronto for 35 years before I moved to Ottawa, so I understand a lot of the Toronto issues. There—and here we see it as well—is a bit of an urban-suburban divide.

In Ottawa, it's even worse. We have a rural component. Ottawa is actually bigger than the five other largest cities in Canada. Toronto, Vancouver, Montreal, Calgary and Edmonton will all fit within Ottawa's municipal boundaries. So you get a different perspective.

Here in Ottawa, for example, now we have suburban councillors who are quite happy to promote intensifica-

tion in the downtown area, but God help you if you want to build an extra storey in their ward.

Mrs. Laura Albanese: We find that too.

Mr. Don Stewart: Yes, and certainly Toronto has some of that as well.

I think the issues are more within the municipalities and, partly as a result of amalgamation, it's an ongoing issue.

I'm not so sure how I could talk about going between municipalities. I think, when we have our meetings, we find that our issues are the same: that councillors aren't following their own bylaws and things like that. Some development issues are there as well.

Mrs. Laura Albanese: Any comments on the effectiveness of the OMB?

Mr. Don Stewart: That's a very good question. The problem with the OMB, I would say, is that it's stacked in favour of the people with the deepest pockets. If a community has an objection, they wind up at the OMB. I actually represented my community here in Ottawa at the OMB. So here I am, an unpaid volunteer, and I'm looking at a lawyer who's earning money that we all wish we could make and a planner who's also earning the same kind of money and, in many cases, a city planner, as well, all saying that they think this is a good project, and I'm sitting there saying, "We don't think it's right. We think you should follow what the bylaws of the city have written."

What I think might solve a lot of that problem would be if we put a focus on getting it right. One of the big arguments that's always made here is that the zoning bylaw and the official plan are out of sync. So why don't we just turn around and say, "Hey, when you put in your official plan every five years, or whatever you choose to make it now, you also must provide the same zoning bylaws that go with it," and present an idea that, "You're expected to follow your own zoning bylaws. You are professional planners; surely you can get it right the first time"? I was a professional in IT, and that was one of the expectations I had: "Get it right the first time. You're a professional." So I would say that we should present the same idea to them.

Then the big issue will be a big debate over the official plan and zoning bylaws and one big OMB hearing. After that, you probably will get rid of the OMB hearings and follow up and, "Hey, there's a pile of savings," because every OMB hearing costs money, because you've got transportation and so on.

The Chair (Ms. Soo Wong): Mr. Stewart, Mr. Campbell, thank you very much for your presentation this morning, and thank you for submitting your written submission as well.

Mr. Don Stewart: Thank you very much.

FUEL INDUSTRIES

The Chair (Ms. Soo Wong): Our next group presenting: Fuel Industries. I believe it's Julie Allen, the chief financial officer, who is coming before us. Wel-

come. Good morning. Please identify yourself to Hansard. You have 10 minutes for your presentation. This round of questions will be from the official opposition party. Good morning.

Ms. Julie Allen: All right. Thank you for the opportunity to speak with you today, first of all. My name is Julie Allen. I'm the head of finance for Fuel Industries. We are an interactive digital media company based in Ottawa. We just have 120 full-time employees here, but we're a private Canadian corporation. We started and have grown in Ottawa.

I'm here to talk to you today about the importance of the Ontario Interactive Digital Media Tax Credit, also known as the OIDMTC, to our industry and the province of Ontario. It comes to my attention that the OIDMTC is under review as one of the tax credits that you're looking at, and I just to talk a little bit about how I feel it's important to the province and to interactive digital media.

The OIDMTC is really a big part of the economic growth in Ontario. There's so much growth potential in the interactive digital media industry. Interactive digital media: The founders are entrepreneurial, high-risk taking, high-growth companies. I feel it's something that should be taken into account and focused on because there's so much growth potential.

It's also a very young industry, though, and still growing. This sector influences the way we live, we learn, we educate and we entertain. It also creates very valuable jobs for the province of Ontario.

Gaming is a business. The technologies are always changing. We're constantly investing in technology, in growth and in training and developing our employees. I feel that this continuous investment is needed to stay competitive in the global market.

The OIDMTC, for us, provides us with this added investment to evolve and grow. We have grown 140% from 2007 to 2014, and this is how long we've been using the Ontario Interactive Digital Media Tax Credit. The support of the program has meant so much to our growth and our ability to stay in Ontario and continue to evolve.

I think the OMDC, as well, is really important to help with global competitiveness. It's necessary to grow this industry, but the interactive digital media industry has no physical boundaries. We are constantly competing on the global market. One hundred per cent of Fuel's revenue, actually, is export; we don't have any Canadian sales. All of our time and effort is focused on competing with international companies. Again, there are no physical boundaries with interactive digital media. We need to be competitive with all jurisdictions within Canada, against all provinces, as well as outside of the country.

We're also competing for labour resources on the global market. We're recruiting resources out of province and out of country to attract skilled labour, highly educated individuals, to come to permanent full-time positions. Positions in our company are permanent full-time. We don't contract. We don't have short-term resources. We hire and keep and invest in our people. I

think that's another important piece of this puzzle. We are competing on pricing with companies that have lower labour costs and lower operating costs, and we're constantly trying to figure out a way to evolve and make ourselves a viable company.

The interactive digital media industry also provides employment to Ontario's youth. Our industry is a youth-driven industry. The young people in our province are drawn to our company because it's highly skilled, high-paid employment. The academic institutions in the province are now focusing on programs that are developed specifically for interactive digital media, and we're drawing those people right out of those programs. The average age of employees at my company is 34; 27% of our employees are under 30. Like I said, we do focus on going directly to schools and recruiting directly from schools into our office. Our industry keeps young, talented people employed in Ontario and supports all of the goals of Ontario's Youth Jobs Strategy.

I would like to just identify a few things with respect to OIDMTC that I think you're probably all aware of. It's growing a crazy amount. There's rapid growth in the sector, so the outlay of cash for the OIDMTC is becoming uncomfortable, I suppose, for the government in general. But I'd like to say that every dollar that comes back into the industry for interactive digital media companies that I know of goes right back into the companies, and it's continually used to grow and compete and develop our employees.

I would say that, with respect to OIDMTC and the review of that program, there are a few things that do need to be looked at. I think the scope and the parameters of the credit need to be reviewed in order to make sure that the credit is targeting the groups and the industries that it's intended to. The defining of this tax credit is quite broad, so there can be outliers that come in, say in finance or manufacturing, and have a product that qualifies under this credit that they are able to claim. I'm not sure if that's the intention of the credit, but I think that perhaps part of the review is to determine the scope and the parameters in order to focus on the industry that it is intended to focus on.

1100

The other thing about the OIDMTC is the processing time of the application. Right now, to get an application through the process takes 16 to 18 months. If industry is to rely on that money in order to continue to invest, I think that we need to look at the application process and figure out a way to make it more efficient and get the money back into the economy.

So to just do a recap, I think OIDMTC is a beneficial program for the province and the growth of interactive digital media. The program promotes economic growth in a very young industry that has amazing potential. It also helps Ontario companies be globally competitive in the industry and creates very high-paying, skilled jobs in Ontario and keeps our youth here and working.

As part of the 2015 budget-planning process, please consider what I've discussed with you today and realize

the importance of the OIDMTC to the interactive digital media industry and Ontario.

The Chair (Ms. Soo Wong): Thank you very much for your presentation. Before I turn it over to Mr. Fedeli, can you submit your remarks this morning to the Clerk? I think you made some very good points to the committee. I know that Hansard is here to take down all that you said, but it's always good to have a written submission as well.

Ms. Julie Allen: Okay.

The Chair (Ms. Soo Wong): Mr. Fedeli, can you please begin?

Mr. Victor Fedeli: Thank you, Julie, for a very exciting presentation.

I want to say one thing. I know that you would be uncomfortable about the tax credits. I can tell you plain and simply, we're not uncomfortable about tax credits. That's money we wouldn't have. So I can speak for our side of the floor that there's nothing uncomfortable about a tax credit. Good for you for continuing to apply, and I'm so sorry that it takes 16 to 18 months. We find, even today and in the past few days, red tape has been a really big issue that's strangling business, so I'm glad you brought that point up.

What do other provinces and other countries offer, considering the fact that you can be anywhere?

Ms. Julie Allen: From a tax credit perspective?

Mr. Victor Fedeli: Yes.

Ms. Julie Allen: I don't have a great understanding of what they have. Obviously, they have different things—lower labour costs and lower operating costs. There are different costs involved outside of Canada.

The provinces range—and there are so many different programs. I think there's a range of tax credits where—I'd say 20% to 40%, depending on where you are in the province and what type of product you're applying for. That puts us kind of right in the middle: 35% eligibility on eligible expenses is where the OIDMTC sits. So on one end, yes, we're quite a bit on the top of that range. There's so much value to that credit.

Mr. Victor Fedeli: Thank you.

The Chair (Ms. Soo Wong): Three minutes.

Mr. Monte McNaughton: Thank you, Julie. I had the opportunity a few years ago, as the economic development critic for the PCs, to tour a bunch of businesses in your industry, and it's quite exciting to see the number of young people working in it.

My understanding of the tax credit was it wasn't a forever thing. Are you saying that the tax credit should be going on forever, or could the industry survive without it?

Ms. Julie Allen: The industry is so young right now. The problem with interactive digital media is—or the wonderful thing about interactive digital media is it is always changing and always evolving and the technology is always changing.

From my company's perspective, it is an amazing tool to help us be successful and grow. Will we need it forever? Likely not. We would have to change the way

that we operate. We invest in our own IP; we invest in our people as much as possible. I think we'd have to change our business model a little bit if we knew that tax credit didn't exist. For us, the money does stay in the company and does go back into the economy. So I think we would have to change our business model in order to continue to be competitive. But there are benefits to having it, and obviously I would not enjoy the day that they sunset this tax credit. It is something that could happen, obviously, and we'll plan for that when that day comes. But we would have to change our business model. We'd keep all of our employees in Ontario, and maybe it would be outsourcing to different groups or maybe it would be finding some cheaper resources in order to maintain—

Mr. Monte McNaughton: Great. Can you talk a bit about—and if I missed it, I apologize—the net benefit to your company? Did you say the dollar amount that this benefits your company on an annual basis?

Ms. Julie Allen: Since the inception of the assistance—we started filing in 2007—up until last year's claim, \$3 million is the amount that we've been able to benefit from this, so that's over seven years of claims. We've been able to double the size of our Ottawa office. We've also been able to invest in some of our own IP, and we've been able to triple our revenue. There have been clear benefits from having access to that fund.

The Chair (Ms. Soo Wong): Ms. Allen, thank you very much for your presentation. If you could follow up with the Clerk with your written submission, that would be greatly appreciated. The submission needs to be submitted by next Friday at 5 p.m.

GREATER OTTAWA HOME BUILDERS' ASSOCIATION

The Chair (Ms. Soo Wong): The next group coming before us is the Greater Ottawa Home Builders' Association. Good morning. Welcome. I just want to know: Which one are you? There are two names here. Are you the president or the executive director? Please identify yourself, sir, to the committee and also for Hansard.

More importantly, I just want to make sure you understand that you have 10 minutes for your presentation, and this round of questions begins with the official third party.

Mr. Herbert, I understand you'll be presenting? Thank you and welcome. You may begin any time.

Mr. John Herbert: Thank you very much, Madam Chairman, members of the committee. Good morning. My name is John Herbert, as you know. I'm the executive director of the Greater Ottawa Home Builders' Association. We're part of a nationwide network of home builders that are affiliated with the Ontario Home Builders' Association and the Canadian Home Builders' Association. In fact, our current president, Pierre Dufresne, is also the second vice-president of the Ontario Home Builders' Association.

Thanks for coming to Ottawa and providing me with this opportunity to say a few words today.

Our association is the voice of the new housing, land development and professional renovation industry in the Ottawa area and includes about 350 member companies. Here in Ottawa, our industry supports over 23,000 jobs, and that makes us one of the largest employers of the region. All of these jobs account for about \$1.3 billion in wages yearly, and of course these purchases show up right across the local economy. The total residential-construction-related activity represents almost \$4 billion in annual investment across the region. So we truly are one of the engines that drive the local economy.

Unfortunately, we've been dealing with a number of challenges over the past few years that have recently resulted in some challenges for us.

In 2013, we saw about 6,500 new housing starts, but last year there was a 12% decline to about 5,700 units. CMHC is predicting that 2015 will probably also see a further small decline in housing starts. There are several reasons for this.

As you can imagine, the residential construction industry is highly dependent on the federal government. The civil service cuts over the last four years have taken a fairly significant toll on our market. You may not know that federal procedures require them to notify thousands of employees in a given sector that there are going to be cuts when there might only be half a dozen job cuts, so thousands of people are worried about losing their jobs when in fact very few will be eliminated, and often that's through attrition. It tends to sterilize the market, freeze the market. Civil servants, when they are worried about their jobs—as anybody does—just stop making significant expenditures. That's one thing that has definitely hurt us over the past year.

A second factor is just constant increases in taxation, primarily in the form of development charges. This is having a pretty significant impact on affordability. As one example, in 2014, the city of Ottawa's development charge increased by about 31%, bringing the total charge on a new, small, single-family home to about \$37,000.

The next three pages of this presentation are just some infographics that I've included for you. I'm not going to dwell on those in detail.

1110

The first one, "Why does a new home in Ottawa cost so much?" attempts to just break down the cost of a new home into the major categories to try to convey to the general public just what those major costs are. They're pretty shocked usually to see that the land costs and taxes combined represent about 50% of the cost of a new home. Over the last 25 years we've seen taxes on new homes go from about 3% to almost 25%. So that's a real threat to affordability. I encourage you to maybe take a look at that one in more detail when you might have some time.

The second infographic, "Boomers: Here's why our kids can't afford a home in Ottawa," just shows in a little more detail what has happened over the last 25 years. There's a growing differential between the increasing price of a home and people's increases in salaries over that same period of time. It's pretty significant when you

see that incomes increased by 97% and housing prices have increased by about 185%. A lot of that differential, as I mentioned earlier, is due to increase in land cost and taxation.

Then the last infographic is just one that deals with the development charge increase of 31% that I mentioned earlier, and notes some of the implications of that. I don't know many people who have received a 31% salary increase over the last year—I don't know about you, but—so there seems to be this differential that we want to try to deal with.

The third and last factor that has had a significant impact on affordability in Ottawa is intensification. It's somewhat ironic that municipal intensification policies have been directly responsible for transferring between 5% and 10% of our housing starts to outlying communities, including Quebec, thereby exacerbating urban sprawl. So the whole objective of intensification has failed in our opinion. This occurred as a direct result of creating an artificial land shortage and is having long-term impacts on affordability and housing choice.

There has also been a significant technology shift as a result of the intensification policy, from low-rise wood frame to high-rise reinforced concrete. This has led to quite a wide range of job losses in the historical non-union trade sectors.

I'm providing you with these numbers and observations today as context for the rest of my presentation. These numbers don't just represent a roof over people's heads, they also represent thousands of jobs, from skilled trades to architects, planners, engineers and other professionals such as myself. We remain concerned about the broader economy as some sectors have not fully recovered from the recent recession. The high tech sector in Ottawa has really never recovered from the bubble bursting in 2000. When consumers, as I mentioned earlier, are not confident when they lose a job or they lack security, their first instinct is to simply stop spending on major investments such as new homes.

Our association also represents, as I mentioned, the professional renovation sector within the region. As such we promote the RenoMark program which protects consumers by ensuring our members provide warranties, written contracts, carry insurance, pay their taxes and get all necessary permits etc.

The underground cash operators pose a risk to legitimate businesses and most importantly to consumers. They don't pay WSIB premiums, employment insurance, GST or HST, and they certainly aren't likely to be filing income or corporate tax returns. Our concern is that these cash operators are competing with legitimate businesses that are doing all the right things, playing by the rules, paying their taxes and obtaining all necessary permits. But I'm sure all of you can appreciate that it's difficult to compete on a level playing field when these underground operators, that are doing none of those things, are winning the day. In fact, I know we as an association have lost renovator members who told me that they needed to drop off the radar just to survive and compete in the business because they can't do so in the current environment.

Perhaps the most significant concern with respect to the underground economy is the risk that consumers place themselves in when they ask the age-old question, "How much would that be if I just pay cash?" Consumers are putting themselves at risk of fraud or theft when they pay cash without a contract. In cases where work is completed, the underground operator may not have obtained the necessary permits, workmanship could be shoddy and in many cases not built to meet the code. Lastly, the underground contractor likely isn't contributing to WSIB or adhering to health and safety standards. In the unfortunate event of an accident on-site, many people don't realize that the homeowner is liable.

A cash deal may sound attractive to some homeowners, but they certainly place themselves at tremendous risk, and they create an uneven playing field for Ontario businesses when they cheat the hard-working regular, tax-paying citizens by not contributing their fair share of taxes.

The RenoMark designation has become extremely important in Ottawa, where many potential renovation customers have begun to ask companies if they have this designation. RenoMark is the only customer assurance designation that we're aware of in the renovation sector, and I've included the following page, which lists the compulsory performance requirements for a membership. I would encourage you to take a look at that when you get a minute, maybe later in the day, just to see the kinds of standards that a RenoMark designation requires members to adhere to. As consumers we have become better educated and the cost and scope of renovation work have grown—they've begun to look for this sort of protection. As a result of renovator membership, our membership has almost doubled over the past five years. We're pretty happy about that.

I'd like to just briefly quote Finance Minister Charles Sousa's fall economic update when he says:

"An effective tax administration system also requires businesses to pay their fair share of taxes. When businesses do not pay their fair share, provincial revenues are compromised. This has a direct impact on the programs and services Ontarians expect and rely on. Further, when businesses do not pay their fair share of taxes, they disadvantage other businesses that do follow the rules. Often, businesses that do not pay taxes also ignore the rules that protect employees and ensure that products and services are reliable and safe."

Our association, and by extension the Ontario home builders, certainly supports and agrees with this statement by the finance minister.

We believe it's time for serious—

The Chair (Ms. Soo Wong): Mr. Herbert, can you wrap up your presentation?

Mr. John Herbert: Okay. I'll skip right to the very end and just reinforce some of the comments that I've made and the rest of the comments in the presentation, which I thought was 15 minutes, so my apologies.

The Chair (Ms. Soo Wong): Ten minutes, and five minutes for questions.

Mr. John Herbert: Yes, I realize that now.

In closing, we support a permanent home renovation tax credit to combat the underground economy; we support greater information-sharing agreements to combat the underground economy; and we're seeking a role on what we propose as a provincial task force for stakeholders to look at the underground economy.

We support continued provincial investment in core infrastructure—hard infrastructure, not soft infrastructure like community buildings or recreation facilities, but bridges, roads, underground sewer and water.

We request that the province open a discussion on alternatives to development charges in financing municipal infrastructure in order to address the serious problem of affordability.

Lastly, here in Ottawa, we specifically support the list of infrastructure projects that I've listed in this presentation.

Thank you for your time.

The Chair (Ms. Soo Wong): Thank you. Ms. Fife, would you like to begin the questioning?

Ms. Catherine Fife: Yes. Thank you very much for the presentation. We did hear yesterday from the Sudbury home builders' association, so there are obviously some commonalities, especially around the underground economy.

This is a long-standing issue.

Mr. John Herbert: It is.

Ms. Catherine Fife: It must feel a little bit like Groundhog Day for you to come here and ask once again for action to be placed on this. The same recommendation came from Sudbury and from other jurisdictions on—

Interruption.

Ms. Catherine Fife: I don't know what that is—on making a permanent home renovation tax credit, because—

Interruption.

The Chair (Ms. Soo Wong): Your BlackBerry. Perfect. Thank you.

Ms. Catherine Fife: Sorry about that.

It does; it will flush out the underground economy and those people who are not paying taxes and not adhering to safety practices. What do you think of resistance to bringing in what I think is a very progressive tax regime?

Mr. John Herbert: I don't know. We've always wondered that, at the federal level and at the provincial level. It seems like something that should have been done a long time ago, because it's lost revenue to the government, and it hurts our legitimate renovators. So we certainly support a tax credit, which I didn't get to in my presentation—

Ms. Catherine Fife: That's why I was going to give you the opportunity to address that.

Mr. John Herbert: Yes. I was very pleased to hear the positive comments made earlier here with one of the earlier presenters—I guess a few presenters—on the positive attitude to tax credits, because from what we can

see, they've worked very well in the past, so we suggest that you try them again in the future.

Ms. Catherine Fife: You didn't get to this part of your presentation, but you do want to engage the province in a new discussion on alternative development charges in financing these projects. Do you want to expand on that, please?

Mr. John Herbert: Yes, certainly. As I mentioned in one part of my presentation, we've seen taxes on new homes go from about 3% to 25% over the last 25 years. That's just increasing almost on a yearly basis. We think that development charges have reached a point where they can no longer achieve their objective. It's just crippling the new home business and crippling young people's ability to acquire a home, whether it's a condo, a townhouse or a single-family.

We need to start taking a serious look at how we can deal with this affordability problem. The most obvious solution to us is development charges. They're just out of control. Ours went up, as I said, 31% last year. That, to us, is the easiest and most obvious means by which—the province needs to somehow begin limiting municipalities' ability to increase development charges or start looking at alternative methods of financing municipal infrastructure.

Ms. Catherine Fife: But you do understand why municipalities are looking to that revenue stream. It's very much connected to the provincial tax regime as well.

Mr. John Herbert: Yes, we understand that very closely. We work very hard with the municipalities on each DC review. We understand them very clearly, but we think it's time to do something, because otherwise housing is becoming unaffordable. We're seeing a generation of renters, and there are 50% more millennials living at home now than there were 20 years ago, simply because they can't afford even to rent. Young people are graduating with an average of \$28,000 in university debt, education debt, and then they have to start saving for a home. Affordability is getting to be really, really serious.

Ms. Catherine Fife: How much time do I have?

The Chair (Ms. Soo Wong): One minute.

Ms. Catherine Fife: Just on the intensification, because Kitchener–Waterloo has gone through—just like Ottawa, we were targeted as a good place to grow, so we're trying to build up. It is generating those great, well-paid renovation jobs. What is the difference between K-W and Ottawa? You spoke negatively about intensification.

Mr. John Herbert: We support intensification, the concept of intensification. In Ottawa, it was implemented very poorly, to be honest. The official plan was out of sync with the zoning bylaws. In 2003, the official plan included intensification, but there were 13 obsolete zoning bylaws that had represented the region prior to amalgamation. We kept saying to the city of Ottawa, "If you don't update and do a new comprehensive zoning bylaw to implement the official plan, it's going to create tremendous conflict in the community."

Ms. Catherine Fife: And it did.

Mr. John Herbert: And that's exactly what happened.

Ms. Catherine Fife: The other delegation said, "Build it right the first time," but you have to have the alignment—

Mr. John Herbert: You have to have those two documents synched in order to achieve your objective without tremendous conflict and—

The Chair (Ms. Soo Wong): Thank you, Mr. Herbert, for your presentation and for being here today.

Ms. Catherine Fife: Thank you very much.

Mr. John Herbert: Thank you. I appreciate your time.

The Chair (Ms. Soo Wong): The next group before us is LiveWorkPlay. They're not here? Okay.

The next group after that is National Airlines Council of Canada. Are they here?

Interjection.

The Chair (Ms. Soo Wong): We are going to adjourn briefly for a recess and then hopefully the witness will come back—maybe, say, five minutes. Okay? So we're going to recess for five minutes. Please come back promptly because I do want everybody to come back on time for lunch.

The committee recessed from 1124 to 1130.

NATIONAL AIRLINES COUNCIL OF CANADA

The Chair (Ms. Soo Wong): Okay. I'm going to reconvene the committee. I believe the group from the National Airlines Council of Canada is here. Mr. Marc-André O'Rourke is here as the executive director.

Mr. Marc-André O'Rourke: Good morning.

The Chair (Ms. Soo Wong): Good morning. You have 10 minutes for your presentation and five minutes for questioning. This round of questioning will be coming from the government side. You may begin any time. Please identify yourself for Hansard. Welcome.

Mr. Marc-André O'Rourke: Thank you very much. My name is Marc-André O'Rourke. I'm the executive director of the National Airlines Council of Canada.

Bonjour. Good morning. Thank you very much for the opportunity to be here today and to provide our input as you prepare the 2015 budget. I'm here to talk about the aviation sector's continuing concern with the 148%—and I'm going to say that a lot throughout the presentation. It's a massive increase: 148%, which translates to a four-cent-per-litre increase to the aviation fuel tax in Ontario over the next four years, which was introduced in last year's budget.

This is not the first time we've expressed this concern, as you may know. We expressed it to the Minister of Finance and this committee during last year's process. Today, we are reiterating our call for the government to take a step back, re-evaluate this policy and work with—and this is very important—not only the aviation sector but all the other sectors of the economy to develop a sustainable approach to aviation fuel taxes that doesn't

put, or in this case doesn't exacerbate, an existing competitiveness burden on Ontario's economy.

The National Airlines Council of Canada represents Canada's four major passenger airlines: Air Canada, Air Transat, Westjet and Jazz. We advocate for safe, sustainable, secure and competitive air travel to ensure that Ontarians and Canadians have the best and most cost-competitive flying experience, both within Canada and abroad. Our members are the largest users of Ontario's airports. Collectively, our members carry over 50 million passengers per year and directly employ over 46,000 people. By connecting Canadians with cities across the country and to the world, we are an essential part of making sure that Ontario's regional economies can compete globally.

Our members are very proud of the investments we make in Ontario and our contribution to the province's economy. We really hope to continue to hire more people, make more purchases of aviation products in Ontario, and further expand services in the coming years. However, to do this, there are a few key ingredients. We need a strong economy, we need a competitive tax environment, and very importantly, we need a partner in government committed to the vitality of our sector. We need to work with the government.

Today, I want to share with you how the Ontario government's decision to increase the fuel tax by 148% is harming Ontario's economy. Communities, consumers and businesses all across the province, from Toronto to the southwest, from Ottawa to the north, are all being negatively affected. As we expressed last year, Ontario was already at a competitive disadvantage compared to the rest of Canada, the US and the world. There is no shortage of facts to establish this.

Prior to last year's tax increase, Ontario already had one of the highest taxes on aviation fuel in North America. Ontario is one of the only places in the world—and I stress that: one of the only places in the world—that still levies a tax on international flights. The ongoing economic impact of this increase will be substantial. Dr. Fred Lazar of the Schulich School of Business at York University estimates that the fuel tax increase could cost the Ontario GDP \$97 million in only four years. That's in addition to the more than 2,000 jobs and hundreds of thousands of travellers that will be lost. By 2030, the total cost could be as high as \$1 billion. That's \$1 billion of lost economic potential across the province, just as many regional economies are trying to get back on their feet.

The Minister of Finance has indicated that Ontario's 148% tax increase actually puts us in line with our global competitors. The facts just don't support this. There are no aviation fuel taxes on international flights from leading global cities like London, Paris, New York or Chicago. There are no taxes on international flights from Vancouver, Calgary or Montreal. In fact, the 148% aviation fuel tax increase means that Ontario's aviation fuel taxes will be more than double than any other province. Most provinces don't even charge aviation fuel taxes on flights to the US or out of the country.

Other provinces have recognized the competitive disadvantages of high aviation fuel taxes. British Columbia, despite facing tough financial times, eliminated its aviation fuel tax on international flights. This bold decision showed leadership, and it's already having a real impact. Over 20 airlines have added flights to Vancouver, bringing with them new jobs and economic activity. Despite the initial loss of revenue of about \$12 million, the province actually gained an estimated \$20 million in new payroll and consumption taxes. So this works. The proof is in the pudding.

Over the past 20 years, governments have repeatedly imposed new taxes and charges on the total cost of airfare. Once again, the government has told the public that the new tax will add only a small amount to the price of each ticket and not impact demand. We frankly disagree: These charges add up. Ontario now has the distinction of being one of the least competitive places in the world when it comes to aviation taxes.

We are seeing three million Ontarians cross the border—get in their car to drive to the US to fly from US airports. We fully expect this to continue, even with the weaker Canadian dollar.

The continued phase-in of the 148% fuel tax increase will mean that Ontario will continue to leak jobs, and the economy-stimulating spending that goes with them, to the US.

This is a problem all across the province. Thunder Bay residents are travelling to airports in Minnesota. London and Sault Ste. Marie residents are going to Michigan. Toronto and Kingston residents are going to New York state. As we shared last year—and this is of particular interest for Mr. Fraser—even in tiny Ogdensburg, in upper New York state, they're seizing their opportunity. They're expanding their airport, and they make no bones about it: They're attracting the Ottawa market, which is less than an hour away. We can't ignore the impact that this will have on the tens of thousands of well-paying jobs that rely on a robust aviation sector in Ottawa.

A taxation policy needs to recognize that the aviation sector is an economic driver and part of a high-value supply chain. Businesses and industries across Ontario rely upon accessible air transportation to connect with their customers, deliver their services and market Ontario's economy to the world. We play a vital role in Ontario's regional economies, creating a lifeline to the global economy for communities and businesses in all corners of the province. This ill-advised increase in aviation fuel taxes has placed new burdens on tens of thousands of tourism sector jobs in Ontario, as Ontario competes against the rest of the world in what is a very, very competitive international tourism market.

The 148% increase hinders job creation, economic growth, trade and the competitiveness of Ontario's tourism sector. This will be especially hard-felt in the south-west, the east and northern Ontario, where businesses are facing the greatest pressure in the global economy, and where every cost burden has a bigger impact. We believe that this tax increase has created, and will continue to

create, a disadvantage that Ontario's recovery simply can't afford.

We aren't alone in our concerns about the damage that this tax increase will do. The International Air Transport Association, the Ontario Chamber of Commerce, the Canadian Airports Council, the Conference Board of Canada, the tourism industry associations of Ontario and Canada, and the Association of Canadian Travel Agencies are some of the associations that share similar views. Again, this is not only impacting the aviation sector; it's impacting the whole supply chain.

We know that the government is committed to creating jobs and keeping Ontario's economy on course. We share this goal. We're calling upon the government to freeze any further phase-in of the tax increase until a full review of its impact and other consequences can be fully understood. This should include ongoing, collaborative and meaningful consultations with the aviation sector and other affected parties. It's not too late to take the time to properly understand the consequences of this tax and make smart changes.

Thank you very much, and I'm happy to answer any questions at this time.

1140

The Chair (Ms. Soo Wong): Thank you very much for your presentation. I believe that Mr. Fraser will be leading the government side in asking you some questions.

Mr. John Fraser: Thank you, Marc-André. We've met before. I appreciate your presentation again. Yes, Ogdensburg is a concern. I've met with the Ottawa International Airport on a number of occasions and had some discussions about airports in Canada and the kind of risks that are there.

I want to talk about a few of the things that we've done in Ontario in terms of how they've impacted your business, because I don't want to view this solely in isolation. I appreciate the impact that it has and your concern, not only with the largest jurisdiction in Canada implementing this, which your industry may see as a risk of an expansion of this.

But what I do want to say, first off, is that I want to ask you, in terms of this aviation fuel tax, how that compares to the federal taxation of your industry as an impact and compared to US taxes. I know that airport facilities are treated somewhat differently in the United States, but what I really want is more about your industry specifically.

Mr. Marc-André O'Rourke: Well, there's no question that most of our fees and taxes are with the federal government. That said, in fairness to them, they are conducting a review of that approach, and they have not increased the taxes or fees in a long time. They are looking at ways to reduce their burden.

That's the frustrating part: The only touch-point that we had with Ontario was this tax, so you can understand our frustration. These are the only dealings that we had with the province, and then instead of having a dialogue to see how we can work together on maybe reducing it

like other provinces are doing, we get this—it was a slap in the face, that we're going to go to a 148% increase.

Mr. John Fraser: Well, I might say that, even with the reduction in fuel prices, which are not permanent—they're going to have a significant impact on your industry right now—we still tax things like diesel and gasoline at a higher rate than we tax aviation fuel.

Mr. Marc-André O'Rourke: Well, listen, on the price of fuel—

Mr. John Fraser: I think that's a fair comparison.

Mr. Marc-André O'Rourke: We have to understand here that there's not only the price of fuel. Our members have to buy fuel in US dollars. There's the exchange rate, so any potential savings that may be out there are sharply reduced. It's still a per-litre tax, so our members aren't saving any tax on the price, and I don't think we should fall into the trap of making economic policy and public policy based on the volatility of these low air prices. That's not good, sound policy.

Mr. John Fraser: That's not what I'm suggesting, and I did say that it's not a permanent thing, but I did say that it was going to be a net benefit in the environment that we're in right now and—I don't want to say the foreseeable future, but the next 12 or 18 months is what most people are saying. I wasn't suggesting that we should make policy based on that; I was just indicating that that was an economic driver that we have to take into consideration in the short term as well. I get what you're saying.

The reason I wanted to bring up the federal government is that, as you know, we fundamentally changed how we look at airports. I know they're reviewing this, but they're looked at as a bit of a tollbooth, as opposed to Ogdensburg and some other places in the States where municipalities and the federal level of government look at that in a different way.

Mr. Marc-André O'Rourke: Oh, absolutely. We—

Mr. John Fraser: I don't want to get into airports, but I wanted to make that distinction. That's a cost in your business, right?

Mr. Marc-André O'Rourke: Yes, the approach that the government took 20-some years ago led, in large part, to the problems we're having now, but two wrongs don't make a right. We are working with the federal government to revisit that. So that's why, again, Ontario is just going completely the other way, using the sector as an ATM to finance other projects.

Mr. John Fraser: I may not agree with that. In more of a general overview, we have a deficit that we're trying to tackle here in Ontario. It's easy to say, "Stop spending" and then say, "Oh, can you build a hospital in my riding?" No offence. But what I want to say is that when we're looking across all sectors, what we're trying to say is, somehow we have to get to balance and get some contribution, and do it in a fair and measured way.

I think that we are in this case. I understand the impact on you, and I understand your need and appreciate the things that you said here, but I want to put some context into the kind of situation that we're in, which is not only

for the air travelling public, but for the broader public across Ontario.

The Chair (Ms. Soo Wong): Okay. Gentlemen, I think we're finished.

Thank you so much for your presentation and thank you for your submission.

Is the group from LiveWorkPlay here today? Calling once. LiveWorkPlay? Seeing none, we are going to be recessing until 1 p.m., so please come back promptly, because checkout is at noon.

Thank you. Come back for 1.

The committee recessed from 1145 to 1300.

ONTARIO WATERPOWER ASSOCIATION

The Chair (Ms. Soo Wong): We're going to call the committee to order. The first witness before us is the Ontario Waterpower Association. I believe Mr. Paul Norris, the president, is here. Welcome. Good afternoon. Mr. Norris, you know we have you here for a 10-minute presentation, with five minutes of questions. This round of questioning is by the official opposition party. So you may begin at any time. Please identify yourself for Hansard purposes. Thank you.

Mr. Paul Norris: "Witness"?

Thanks. My name is Paul Norris, with the Ontario Waterpower Association. I live and work out of Peterborough.

Thanks for the opportunity to meet with you here today. The Ontario Waterpower Association is pleased to provide input and advice to the committee on the 2015 pre-budget consultation. You should all have a folder that looks like this; it has my written notes in it. You can refer to it as you go or listen to me or both.

By way of introduction, the OWA was founded in 2001 to provide a common and collective voice for the industry in the context of the commercialization of the province's electricity sector. The OWA has grown to represent more than 160 firms actively investing and involved in Ontario's hydroelectric industry. I offer the following socio-economic facts for your information:

There are 204 operating waterpower facilities in the province, with a total installed capacity exceeding 8,300 megawatts and a replacement value of approximately \$50 billion.

More than 700 megawatts of new, refurbished and incremental waterpower is now under active development across the province, representing an investment of over \$4 billion.

A recently commissioned socio-economic analysis of active small hydro investment in Ontario, of which there is approximately 200 megawatts, estimated project development investment of roughly \$811 million, provincial revenues associated with land and water leases of roughly \$45 million; and full-time equivalent job creation of approximately 9,900 positions.

The 2013 long-term energy plan expands the target for waterpower to 9,300 megawatts.

Importantly, and unique to waterpower among electricity sources, is the direct revenue provided to the Consolidated Revenue Fund in the form of water resource rentals or royalties premised on the occupation of provincial crown land. On average, annual direct revenues to the Ministry of Finance are approximately \$150 million, generally the single largest source of natural resource royalties to the province. Put simply, virtually every kilowatt hour of existing and new waterpower generates revenue to the provincial treasury.

I'd like to make the case, therefore, for a modest investment through a budget allocation in advancing the information, knowledge and science base upon which current and future regulatory approval decisions for waterpower projects are made. In my view, such a strategic investment today will pay dividends for the province for decades to come.

As you may be aware, the development of timelines for waterpower projects in Ontario has been extended from five years to eight years, as the directive from the Minister of Energy states, "in acknowledgment of the unique regulatory requirements for waterpower projects." As I am sure members of this committee will appreciate, extended development timelines mean extended carrying costs, which inevitably result in increased electricity production costs.

Last year, the association undertook to assess the pre-development costs for small hydro in Ontario and found, on average, that approximately \$2 million was being spent per project on environmental assessment and approvals. Ten years ago, that figure was closer to \$500,000.

While the industry and government continue to work to modernize approvals, there are two key and related factors driving the extended timelines and increased costs. The first is the fact that permitting requirements continue to evolve during development. The majority of current active waterpower projects were commenced before 2008 and are still awaiting permits to proceed to construction.

Since then, we have seen the introduction of new legislation, such as the Endangered Species Act, and significant amendments to existing legislation, such as the federal Fisheries Act. As importantly, we are still awaiting final policy guidance under the Lakes and Rivers Improvement Act and the Ontario Water Resources Act. Put simply, long development timelines inherently add the risk of regulatory uncertainty.

The second factor, and the focus of our proposed budgetary investment, is the lack of solid data and information upon which regulatory approval decisions are being made. Despite more than a century of waterpower development in Ontario, regardless of the overarching energy policy of the province, and notwithstanding that waterpower is acknowledged to be amongst the most environmentally sustainable of electricity technologies, the fact is that each and every project is assessed premised on its own local impacts and benefits. At present, an estimated \$150 million to \$200 million is being invested

project specifically in small hydro to support environmental assessments and approvals that are fixed in space and time.

I have with me copies of tables of contents of some of these assessments. This one was done for a project in northwestern Ontario, and I'll leave it with the Clerk when I leave. This is volume 1, volume 2 and volume 3 of a 560-page report supporting a five-megawatt hydro development. It's a good piece of work, I would say.

The existing environment data collection—fisheries, water quality, geology—and, importantly, the effects assessment, how are you going monitor a project after it's constructed—all of that information is contained in these reports, but this data and information is very project-specific. While it could support longer-term effectiveness monitoring, adaptive management and broader science questions, there is no formal mechanism to do so. It's not a criticism of government; it's merely the reality of the challenge of very long-term assessment programs and the limitations of annual government budgetary cycles.

For example, our recent evaluation of baseline data—that's the data that you collect in order to tell the regulatory approval agency what's there now. We looked at 20 projects constructed between 1981 and 2003, and we found that water quality information was accessible for only three of those projects and that even this data was not consistently captured.

As such, to leverage the considerable investments already being made by the industry—\$200 million in collecting data to support somebody's decision-making process—we propose that the OWA enter into a partnership with the province to establish what we are referring to as a waterpower reference centre.

The association is a proponent of the environmental assessment process to which all waterpower development in Ontario is subject. We have a class in environmental assessment that we authored and had approved by the Minister of the Environment in 2008. As such, we have access uniquely to this data and information.

We scoped this initiative initially as a three-year undertaking, involving the following five phases. First, we need completion of the data and information gap analysis, and needs assessment relative to existing provincial management holdings, such as Land Information Ontario. We are already undertaking phase 1.

Secondly, we need to design and develop an information architecture for the creation of formal data exchange agreements with key provincial ministries. We already have a waterpower data exchange agreement in place with the Ministry of Natural Resources and Forestry.

Phase 3: We have to populate the reference centre, what I'm calling "books"; I'm not an information architecture guy. This isn't a library. We have to take these 500-page books and put them somewhere. Right now, they're sitting in a desk in either Kenora or Kemptville or wherever they happen to be. But we would put in the environmental assessment reports, water management plans, species-at-risk mitigation and mon-

itoring plans, and existing best management practices, of which we've published half a dozen.

Fourth, we need to develop data standards and protocols and data mine these existing books to populate key data sets. Let's ask ourselves intelligent questions about things such as fish passage across 40 different science projects that are happening at the same time right now with no coordination. We're not doing that; we could. It's a lost opportunity, in my mind.

Fifth, we need to provide for ongoing data submission from my members for new projects, to monitor, evaluate and improve. This needs to become automatic on a go-forward basis through our members as they collect information to support new projects with that additional thousand megawatts of hydro we're supposed to be developing in the province.

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To achieve this, we propose that the spring 2015 budget specifically identify the establishment of the proposed water power reference centre as an initiative to be brought forward this fiscal year, in partnership with the OWA. As I see it, the benefits to the province are as follows:

—It leverages the industry investment in environmental approvals. We're going to give you back the information that we already gave you, but we're going to put it in a central repository.

—It would reduce costs for government investment in adaptive management and effectiveness monitoring. Every single one of these hydro projects is going to have a 10- to 20-year post-construction monitoring program in place. There is no mechanism within government to collect that information centrally. We will be collecting that information and giving it to government.

—It would reduce the costs for future project investments for both the government and for the industry. I said that on average, the industry is spending \$2 million per project. Based on our experience and on previous initiatives, the government is making significant investments in those projects as well, in terms of its environmental review and approvals processes.

—It would inform key provincial science and policy priorities. If we wanted to know something about water quality across the province, we could identify that as a priority and use these opportunities and this data to answer those science questions.

—In my view, it enables the additional modernization of approvals, through a determination of a risk management framework, as to what matters and what doesn't.

The Chair (Ms. Soo Wong): Mr. Norris, can you wrap up, please?

Mr. Paul Norris: Should the concept be approved in principle, I would be pleased to provide a detailed business case for further consideration.

Thank you. I'd be happy to entertain your questions.

The Chair (Ms. Soo Wong): Mr. Fedeli?

Mr. Victor Fedeli: Paul, thanks for a great presentation and for your passionate delivery and your detailed information over the last few years, taking, I'm sure, all

of the interested people through various water power projects throughout Ontario.

Paul, is water power green energy?

Mr. Paul Norris: Water power is amongst the most environmental and sustainable forms of electricity in the province. Currently, under the Green Energy and Green Economy Act, it is included as a renewable energy source.

My own personal view is that "green" is an individual value proposition that people make for their own cases. I certainly think it is.

Mr. Victor Fedeli: So do I, by the way.

Mr. Paul Norris: Thanks.

Mr. Victor Fedeli: The fact that we're at 8,000 megawatts and growing—what organization is the largest purveyor of water power in Ontario?

Mr. Paul Norris: We have a very diverse industry. In our membership, we have all of the generators—we have Ontario Power Generation, Brookfield renewable power, H2O Power; a whole bunch of municipalities who were wise enough to hold their hydro assets with the commercialization, such as Bracebridge, Parry Sound, Peterborough, Orillia; and a number of entrepreneurs who did business in the province in the early 1980s and are back doing business again. We've actually seen new investment coming here from Quebec and from the US as well. It's a very diverse sector.

Mr. Victor Fedeli: Is the province the biggest player?

Mr. Paul Norris: In terms of ownership of assets, Ontario Power Generation owns about a third of the assets—of those 204 generating stations, about two thirds of the installed capacity. They own most of the big ones, yes.

Mr. Victor Fedeli: How many potential sites are there in Ontario in total, and then how many really good potential sites are there in Ontario?

Mr. Paul Norris: In terms of raw hydraulic technical potential, there are over 2,000 sites that have been inventoried, starting in the 1940s, by the Ministry of Natural Resources. Of those, as I said, there are 200 in production today. The province has identified 9,300 megawatts as its target through the LTEP. We've identified about 12,000 megawatts of potential.

There's some unique potential in the Far North part of the province. We're working actively with diesel-dependent First Nation communities, who are looking to have transmission extended to them and, hopefully, into the Ring of Fire. There's significant water power potential to support those communities in relieving diesel and in development of the Ring of Fire.

Mr. Victor Fedeli: That's where I'm going with this. So there are 2,200 potential sites in Ontario, and several hundred truly viable sites?

Mr. Paul Norris: Yes.

Mr. Victor Fedeli: I wanted to focus in on the First Nations communities, first of all, who have partnered wonderfully with OPG on the Lower Mattagami project. I've been to that site and I know that last week they achieved another milestone and another completion level

on time and on budget—just a spectacular partnership of First Nations and OPG and a wonderful opportunity to make a tremendous amount of water power for Ontario.

I want to talk about, in the Ring of Fire, the four communities that are to the southwest and the one community that's to the southeast. Is there truly an opportunity, considering the Ring of Fire needs maybe 20 megs, to do the Ring of Fire and/or the First Nations communities, hopefully in partnership like they did at the Lower Mattagami?

Mr. Paul Norris: Oh, absolutely. I'm glad you pointed out the Lower Mattagami. It kind of makes my case, I think. That's the single-largest development happening in the province right now. That's an individual environmental assessment that has been done. That information will be given to a district manager or somebody who can make a decision, and we'll never see it again.

But to the point around partnership with First Nations, we've just published case studies, aboriginal success stories. It's not unique to the Lower Mattagami. We've seen it in a number of communities across the province. What's intuitively attractive from a business model perspective for First Nations in hydro is the length of the asset. It's a multi-generational asset.

In terms of the Ring of Fire, we looked at 21 of the diesel-dependent communities that were to be connected and the four communities that are still not to be connected to transmission, and we found that 20 out of the 21 had reasonably accessible hydroelectricity in proximity to their communities. In fact, we're providing that information directly to those communities through a partnership with Ducks Unlimited—

The Chair (Ms. Soo Wong): Mr. Norris, thank you very much for your presentation and your written submission.

Mr. Victor Fedeli: I'll pick it up with Ducks Unlimited, because they're coming later.

The Chair (Ms. Soo Wong): Absolutely. All right. Thank you very much, Mr. Norris.

ONTARIO LONG TERM CARE ASSOCIATION

The Chair (Ms. Soo Wong): The next group coming before us is the Ontario Long Term Care Association. Welcome. Thank you very much. As you heard earlier, you have 10 minutes for your presentation, Ms. Chartier. Can you please identify yourself and your position, and your colleague? After your 10-minute presentation, this round of questions is from the official third party. Welcome. You may start any time.

Ms. Candace Chartier: Thank you. I'm Candace Chartier. I'm the chief executive officer for the Ontario Long Term Care Association. Here with me today is the association's board chair, John Scotland. We just want to thank you very much for having us here this afternoon to present our recommendations for the 2015 budget.

I am an RN by background and I have been working in every part of health care you can work, but for about

the last 15 years I have been in long-term care. I think what I love about long-term care is that our workplaces are our residents' homes. I think it's really important to remember that.

Ontario's long-term-care providers are proud to represent and have the trust of over 100,000 residents and their families annually. We're committed to providing the highest quality of care possible to these seniors.

Our health care system, and particularly long-term care, is facing rapid transformation. Since 2010, with the new requirements for admission to long-term care, only people with really high and very, very high care needs are eligible for long-term care in Ontario. You would have previously heard stats that 20% of residents shouldn't be in long-term care. That's down to 2%. So it's showing you just how much we've changed.

The result is that our seniors are entering long-term care a lot sicker, much more frail, and in a lot more need of medical and personal care. For example, 62% of the residents who live in our homes have Alzheimer's or some related dementia; 46% of those exhibit some form of aggressive behaviour; 92% of our residents have two or more chronic diseases; one in three of our residents have a psychiatric diagnosis such as anxiety, depression, bipolar disorder or schizophrenia; and dual diagnosis, which is a dementia along with a psychiatric diagnosis, is increasing at about 11% a year.

We've reached a critical time in this evolution, and provincial funding has not kept up with the changing demographic of the seniors staying in our homes today. In order to keep up with the increasing needs of the residents that we look after, we need to take action now. We need to modernize provincial funding and put the right tools in place to care for our seniors.

In a time of fiscal restraint, it's important to note that long-term care can care for seniors better and at a better cost than many other institutions. More importantly, while it's not home, our goal is to provide the best home-like setting that we possibly can.

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Depending on the patient and the setting, caring for seniors in long-term care can be anywhere from \$300 to \$550 a day less expensive than other settings, and that's straight from the ministry data.

We believe that our priorities and recommendations for our 2015 budget are not only what residents, families and our health care system need, but also what all Ontarians deserve. We have five recommendations that are outlined in the written submission. Recognizing time constraints, I'll walk you through them quickly. But I hope you'll take time to review the entire budget submission and the important background information and data that we've provided to support our recommendations.

Two of our recommendations revolve directly around the funding envelopes and ensuring we're able to cover the rising costs of operating our homes and matching staff to the rising care needs of our residents. Research demonstrates the complex needs of today's residents are

higher than the homes were originally intended to provide, and they are continuing to rise in the future.

Because Ontarians are living longer due to advances in medicine and technology, they're also now living with multiple chronic conditions that require specialized care, coordination and support. Yet, within Canada, the daily funding provided to Ontario for long-term care is the lowest among the reporting provinces. This situation is unsustainable and puts the safety of both the residents and our staff at risk. In addition, the cost of running long-term-care homes has been rising faster than the government's funding.

The government has been allocating a significant portion of our funding by using CPI as a measure. Our costs, however, have been rising significantly faster than CPI. As an example, in one of our key funding envelopes, "Other accommodation," the expenses have risen by 9.4% between 2010 and 2013, but CPI was only 5.4%. It's just not sustainable. We're grateful that we've initiated discussions with the ministry. We need to fix this soon so that we have the right staff to care for our residents.

Our next priority is supporting mental health and dementia care. I quoted the 46% of residents who are living with some level of aggressive behaviour and the one in three who had the psychiatric diagnosis. Residents with aggressive behaviours and mental health issues are our core population who we're looking after today. More dedicated and specialized resources are required to build capacity and provide the care for their needs while maintaining safe homes for all.

Thankfully, recent investments in support teams to provide dedicated care to our seniors have helped. Dubbed Behavioural Supports Ontario, this program has been very helpful in dealing with behaviours when homes have access to in-house resources. We believe that every home and every senior with dementia challenges should have access to these supports and are calling for investment to do just that—to have every home in the province have an in-house behavioural supports team.

Another key priority for some time has been to rebuild our aging infrastructure. We're pleased that the government announced a renewed capital redevelopment plan for long-term care, which has been very well received by home operators who are keen to bring their homes up to current standards. Currently, 44% of our older homes—many of them in small communities or rural locations—don't meet the recent design standards from 2009. Many older homes have three- or four-bed wards and cramped living spaces, which do not meet the needs of the residents living with dementia, Alzheimer's and aggressive behaviours.

With the new standards in place, homes will also be better equipped with fire sprinkler systems and other important life safety mechanisms and we'll be in a better position as well to deal with infection prevention and control. We're working through the details right now with ministry and we're very optimistic that the final plan will expedite this work.

Our final priority is assisting smaller long-term-care homes. Small long-term-care homes play a very important role in our communities and they also care for Ontario seniors by delivering the right care in the right place at the right time. Today, there are 139 homes across our province that have 64 beds or less. These small homes not only provide for the care needs of seniors in their communities, they're also the main employer in those communities.

All long-term-care homes have had to implement a number of changes over the past five years while the care needs of their residents have changed dramatically, and more changes are coming, from how funding is provided to the implementation of quality improvement plans and a whole new slew of indicators coming down the pipe from Health Quality Ontario and CIHI. The capacity of the small homes to absorb this amount of change while maintaining safety and quality of care is limited by the scale of administrative resources at hand, and to manage these change requirements while caring for the increasingly frail residents with complex conditions is pushing their abilities to the limit and putting the residents at risk.

Small homes have higher staffing costs per resident across departments, and in small communities and rural areas, it's really difficult to get qualified care staff. For them to continue to deliver quality care in this increasingly complex environment, they need more resources.

Our recommendation is to provide small homes with dedicated funding per home and per resident. It will allow them to deliver the same level of care as a medium home and a large home. It will also support the community, of which these small homes are such an integral part across the province.

I want to leave you today with the message that a strengthened long-term-care sector benefits all Ontarians. Our homes are committed to delivering innovative, safe, quality-effective, cost-effective care that provides tremendous value for our health care system.

The Ontario Long Term Care Association is making a separate proposal as well to the Minister of Finance to address changes on how property taxes are assessed for some of the long-term-care homes in the province, changes that, if implemented, would free up significant financial resources to assist with meeting the funding needs that I've covered today.

One of the foundations of Ontario's health action plan is to deliver the right care at the right time in the right place. Ontario's long-term-care homes can and want to do that, and we want to do more. If there was ever a right time and a right place to advance the right care, we think it's now and we think it's for long-term care. So let's make it right, with a strategic investment in long-term care today so that we can build resident-centred long-term care now and for the future.

Thank you very much.

The Chair (Ms. Soo Wong): Thank you very much.

Ms. Fife, do you want to begin the questioning?

Ms. Catherine Fife: Thank you very much for the presentation. You know, this has been a common theme

across the province: caring for seniors. Earlier today, we heard from one delegation who said that we have minimum standards of care for children in child care. Should we not have the same minimum standards of care, for instance, for those in long-term care? Do you want to comment on that, please?

Ms. Candace Chartier: When you say “minimum standards,” are you referring to minimum staffing requirements?

Ms. Catherine Fife: Hours of direct care for seniors.

Ms. Candace Chartier: OLTC doesn't support minimum set hours of care.

Ms. Catherine Fife: Why not?

Ms. Candace Chartier: As you heard, our population is very diverse. We're in 634 communities across the province. You might have a resident who needs six hours of care in one home, because of their profile, and then three in another home. So I don't think you can solve the problem by putting a set number. You need to get to the right funding model, and you need the funding to go with the resident, based on what the resident's care needs are.

Ms. Catherine Fife: We heard earlier today that 1.5 hours is the average of care that seniors are receiving, regardless of their diagnosis. You make a very good point that it's multiple diagnoses; different levels of care and specific levels of care for seniors are needed.

If trying to at least reach some sort of a benchmark around quality of care—which does not exist right now in the province of Ontario—what do you think is the best funding model, with your experience? Is there a framework out there right now that you are going to be taking to the Minister of Finance to ensure that seniors in long-term care get a quality level of care?

Ms. Candace Chartier: The way that we're measured is through an MDS-RAI system. We're actually recommending a different set of groupers that identify how to tag the care to the dollars required to care for that resident.

But there are other parts of it too. We're encouraging allowing staff to work to full scope of practice. If you allow PSWs to work to their full scope and RPNs to work to their full scope, that frees up the 24/7 RN requirement. We're suggesting it should be a 24/7 nursing requirement. You've got NPs coming into our sector—nurse practitioners. A little home in the middle of nowhere, to have a 24/7 RN—that care, based on the needs of those residents, could be assessed internally and free up more hours of care for the residents.

Ms. Catherine Fife: I guess my question is, what is stopping a personal support worker or a nurse practitioner from being able to operate or function to their full scope of care currently in the province of Ontario?

Ms. Candace Chartier: Our Long-Term Care Homes Act does not align with the Regulated Health Professions Act, and it's something that we're working on.

Ms. Catherine Fife: So that needs to happen in order for the funding to flow. Would you not agree?

Ms. Candace Chartier: Yes.

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Ms. Catherine Fife: It's interesting to hear how you've approached this issue. Because we're the finance committee, I'm very interested to find out what your recommendations are to the finance minister around property taxes. The other theme that we've heard around this province is that property taxes are not the solution to every issue in the province of Ontario, and we need a sustainable resource. I think you've made a compelling case for investing upstream versus downstream around long-term care.

Ms. Candace Chartier: I'm going to let John respond on the property tax.

Mr. John Scotland: Sure. I don't want to detract from the arguments that we're presenting now simply on property taxes, but I would suggest to you that there is a potential \$100-million savings to the long-term-care and the health care system from minor revisions to how we assess property taxes against long-term-care homes in the province of Ontario. That's an annual savings.

Ms. Catherine Fife: I assume that we'll get a copy of that proposal.

Mr. John Scotland: Absolutely.

Ms. Catherine Fife: Anything that involves savings that can be redirected in a more productive way is something that we're interested in.

Ms. Candace Chartier: Especially the impact on the redevelopment of the homes—that's going to change the property tax issue significantly.

Ms. Catherine Fife: I know your organization says that nearly half of Ontario's long-term-care homes do not meet 1998 design standards. That's a huge backlog for us. We have serious catch-up to do in the province of Ontario.

Mr. John Scotland: We do, and a real challenge for the next 10 years. Can I just say something quickly on staffing?

Ms. Catherine Fife: Sure.

Mr. John Scotland: To be clear, 95% of our nursing envelope goes towards staffing, wages and wage burden. It's a mathematical formula to determine staffing levels in long-term care. You take the envelope, you divide it by the hourly rates and the wage burden that goes with it, and that determines your maximum staffing. Every year, we maximize the staffing available to us through the funding envelope. When we ask for a 2.85% increase, that's just to maintain the current staffing levels we have now. If you don't provide that—

The Chair (Ms. Soo Wong): Mr. Scotland, can you wrap up?

Ms. Catherine Fife: That's a very good point.

The Chair (Ms. Soo Wong): Thank you very much for your presentation and thank you for your submission.

ONTARIO NURSES' ASSOCIATION

The Chair (Ms. Soo Wong): The next group coming before us is the Ontario Nurses' Association; I believe the witness is Anne Clark, the vice-president of region 2.

Good afternoon, Ms. Clark. Please identify yourself for Hansard. You have 10 minutes for your presentation and five minutes for the government side to ask you any questions with regard to your presentation. Welcome. You may begin.

Ms. Anne Clark: Thank you. My name is Anne Clark. I'm an RN and the Ontario vice-president for region 2, and I'm on the ONA board of directors. Region 2 goes from Cornwall on the Quebec border actually through to Scarborough and up to Haliburton, so a large, very rural area.

As I said, I'm Anne Clark. I'm the vice-president for region 2, and I've described where that is, at the Ontario Nurses' Association, or ONA.

I have worked full-time as an RN in the hospital sector since 1980. I have nursed at the Queensway Carleton Hospital in Ottawa on a combined urology/orthopedics and general surgery unit for over three decades.

ONA is Canada's largest nursing union, representing 60,000 registered nurses and allied health professionals, as well as more than 14,000 nursing student affiliates, primarily providing care in hospitals but also in long-term care and the community.

The standing committee will hear from a number of registered nurses affiliated with ONA who will detail the significant challenges to the delivery of safe care for hospital patients in communities across Ontario and for patients in our long-term-care facilities and in community care. I segue very well into what just went before.

You have heard yesterday about hospitals in the north who have responded to budget restraints with cuts to RN positions and the implementation of staffing models that have replaced RN care with less-qualified staffing. You have heard how this underfunding of hospitals results in fewer RNs, which does hurt patient care.

This afternoon, I want to talk about the challenges in the Ottawa area and provide you with the evidence and with some stories from the front lines that demonstrate the urgent need for more registered nurses in our hospitals to meet the increased care needs of our complex and unstable patients. Most of them, by the way, come from long-term care.

Overall, Ontario has 71 RNs per 10,000 population, compared to 83.6 RNs per 10,000 people in the rest of Canada. This ratio is the second-lowest in Canada—not a very good statistic. This creates a significant gap in RN care for Ontarians who are in hospitals.

First, we are calling for an end to underfunding hospitals; 0% for hospital base budgets has to cease. Funding for hospital base budgets must cover the cost of inflation and the growth in population. Multiple years of funding for hospitals below the cost of inflation and population growth is creating high-risk situations for patient care.

Second, to begin to address the consequences of the gap in RN care, we are calling on the government to develop a nursing human resources plan to stabilize our care with that provided in the rest of the country. We also need a comprehensive nursing human resources plan to

identify where RN care fits into the government's vision for health care in Ontario.

Ontarians have lost millions of hours of care from cuts to RN care in hospitals as a result of a three-year funding freeze in hospital base operating budgets. You heard yesterday that higher levels of RN staffing in hospitals are essential to care for patients with complex and unpredictable outcomes. Studies show that adding one patient to a nurse's average caseload in acute care hospitals is associated with a 7% increase in complications and patient mortality—that's a nice word for "death."

We also know that RN staffing is associated with a range of better patient outcomes, from reduced infections and other unplanned complications such as unplanned extubations, where people pull out their breathing tubes.

Remember, these are critical situations for patients in our hospitals. Since 2012, more than three million hours of RN care have been cut from Ontario's health care system as a result of the underfunding. This completely ignores the evidence linking RN care to improved health outcomes for our patients.

I will share with you what is occurring in the Ottawa region in some of our hospitals to illustrate the consequences for patients when funding is not adequate. The Ottawa Hospital, our largest hospital in the region, is predicting a \$20-million budget challenge in 2015-16. The Ottawa Hospital closed beds on many of the in-patient units, not actually removing the beds, but creating what are called "flex beds" to be available during a surge, when too many patients come in the door. As a result, these closed, unfunded beds are always open—they're never closed—with no increase in staffing or decrease in patients for the complement of RNs available. Occupancy is frequently greater than 100%.

The Ottawa Hospital uses a large number of unbudgeted beds for surges in its activities. An example is 15 unbudgeted medical beds, open for almost a year, and seven unbudgeted surgical beds that just opened last week. Both are supposedly closed, not funded. When they are opened, this requires utilizing all the medicine relief pools to staff all these areas.

The Ottawa Hospital is expecting a funding shortfall in 2014-15, in part as a result of the frequency of unfunded beds being utilized on a daily basis.

The Ottawa Hospital has also removed other resources at the front line. It has laid off orderlies, ward clerks, physios, OT and social work, therefore increasing the workload of the remaining RNs. In addition, management is being directed to cut down on overtime because of the budget constraint; therefore, no workload or sick call relief at all times. You can imagine that there are sick calls and there are workload issues. Nursing staff are also having a difficult time getting vacation; there's no relief available. This ultimately affects the health and safety of the nurses who are available to provide the care.

We have also been advised that the Multiple Sclerosis Society is pulling the funding they provide to run a multiple sclerosis clinic at the Ottawa Hospital. This will affect the care for those patients at the Ottawa Hospital.

There are also developmentally challenged patients at the Ottawa Hospital in psychiatry. These patients have severe behavioural problems and cannot be placed where they need to be placed because there is nothing available in the community where they can be placed safely. The psych unit is not the right environment for these complex patients with complex behaviours.

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Quinte Health Care, in the Belleville area, has announced a funding gap of \$12 million for 2015-16. To date at Quinte, five nursing positions have been deleted, including nurse educators, a breast-screening nurse navigator and an outpatient crisis intervention nurse. We anticipate multiple cuts in the coming months.

The impact of the loss of nurse educators means that certifying and yearly certification are not being done so that staff are available to do this work. That workload increases, and other people have to do the task, or they have no training on the new equipment.

Brockville General Hospital has announced that it is half a million dollars over its planned deficit, primarily because of rising utility costs.

The Royal Ottawa Health Care Group has announced that it will eliminate RN care in geriatrics—and you heard how complex they are—which will surely mean an increase in staff injuries because of increasing assaults.

From Cornwall Community Hospital, we are hearing of the need to address the lack of funding and beds in times of crisis. At Cornwall, we are told that they currently have to hold 15 to 20 admitted patients in emerg with every possible bed opened even if it is not funded. They have extra pods opened, and on a recent night they had 20 admitted patients in emerg without beds. This is a common occurrence.

On nights, for every eight admitted patients in the ER, they get an extra staff, and for every five on days, they get an extra staff. But there is physically no room to move, as stretchers are all over the halls and ambulances cannot off-load.

Then there are the hallway patients on the units that have screens around them for their privacy.

This is no way to deliver care, and the demand is just there and does not go away.

Another example comes from Peterborough Regional, where four RN positions have been eliminated, with replacement by—

The Chair (Ms. Soo Wong): Ms. Clark, can you wind up your presentation?

Ms. Anne Clark: I will. Basically, these are impacting patient care, and studies do show that the costs of increasing registered nurses in hospitals are associated with cost savings. They reduce adverse outcomes and the length of stay, and avoid patient deaths.

Freezing hospital base budgets below the costs of inflation and population growth is cutting funding for patient care.

The Chair (Ms. Soo Wong): Ms. Clark, I'm going to stop you right here so that we can get some questions from the government.

Ms. Anne Clark: Yes, I'm finished. Certainly.

The Chair (Ms. Soo Wong): Mr. Fraser, can you begin?

Ms. Catherine Fife: Are we going to get a copy?

Ms. Anne Clark: I've left a copy. I have.

The Chair (Ms. Soo Wong): She gave it to the Clerk. There was only one copy, so the Clerk will make copies.

Okay. Mr. Fraser?

Mr. John Fraser: Thank you, Ms. Clark. Thank you very much for your presentation. I very much appreciate the work that you do and the work that your members do.

Ms. Anne Clark: Thank you.

Mr. John Fraser: I come from a family of nurses. My mother was a nurse at NDMC here in Ottawa—which used to exist, but no longer; it hasn't for about 15 years.

Ms. Anne Clark: Yes, I knew it.

Mr. John Fraser: She did about 35 years there, on the floor. It's very hard work.

But I would like to ask you to just go back to something that you mentioned in terms of freezing hospital budgets. One of the challenges in an environment where we're borrowing in the neighbourhood of about \$12 billion a year, just to put it in context, is that you have a choice at that point. That choice is, well, we can get ourselves to zero, as some people suggested, and to do that, we're going to have to cut back on these services. We built them up. When you take a look inside Ottawa in terms of the investment in capital and capacity here, it's about a billion dollars. Every hospital has had a crane.

From our perspective, what we're trying to say is, let's try to keep all of those services intact and do our best to keep everybody working. We'll still continue to borrow money and work our way to balance.

It's a challenge, on the government's side, to try to create that balance where you do the best you can, instead of just getting yourself down to zero. Then there's an expense that comes with that, but you don't see that on ledgers; it comes in people's lives.

Ms. Anne Clark: The expense comes on the front lines, because when hospitals cut budgets, the first people they cut are RNs. An RN delivers. We're trained; we have the ability; we have the education. We are the best bang for the buck—I'll put it bluntly. We do everything.

The only patients we have in hospital today are complex, with multiple comorbidities, who need constant assessing. What happens is that they go out of the hospital too soon, and it's a revolving door; they bounce back in. Getting them the care they need while they're in, with an RN staffing complement for their needs, will actually decrease costs.

Mr. John Fraser: Ms. Clark, please don't take what I'm saying as saying that the work that you do or the complexity of patients inside hospitals—

Ms. Anne Clark: Right.

Mr. John Fraser: I understand that—and the relationships that exist inside hospitals between practitioners, which I have some understanding of because my mandated role in government is scope of practice. That touches on what you're saying.

Ms. Anne Clark: It does, yes.

Mr. John Fraser: I wanted to put that out there just to put into context the position the government is in in terms of trying to make some decisions to make sure that we do the best we can to keep people healthy, and employed as well, at the same time, instead of tearing down all the things that we've built. The capacity exists there in the system. We're in a situation right now where it's tight, and we have to do the best we can to manage those scarce dollars, a lot of which we're borrowing.

I do want to ask a question with regards to Ebola and your interaction with the government in terms of how the ONA—

Ms. Anne Clark: We had an amazing interaction with the government. They were very responsive. They worked very closely with us and we were able to implement plans that were in place very quickly with resources there. So it was a very good collaboration and we were very happy, because we did not want another SARS, where there was a lack of communication and we weren't consulted.

We are the front lines; we do it every day. We know what we need. It was an excellent collaboration and we were very thankful that our expertise was called upon. And it's continuing, which is very good.

Mr. John Fraser: Again, I recognize, not just from familial experience—having witnessed a number of family members in hospital and in long-term care—how the input and the interaction in the health care system of the nurses has evolved over, I'd say, the 30 or 35 years that I can say I've observed that. And then you get to understand—

The Chair (Ms. Soo Wong): Thank you. This time is up. Thank you, Ms. Clark, for your presentation and your written submission.

Ms. Anne Clark: Thank you.

DUCKS UNLIMITED CANADA

The Chair (Ms. Soo Wong): The next group coming before us is Ducks Unlimited Canada. I believe it's Mr. Nicholas Gall, their federal policy analyst. I think the Clerk is circulating the presentation. Good afternoon. Welcome.

Mr. Nicholas Gall: Good afternoon.

The Chair (Ms. Soo Wong): As you know, we will be hearing from you for 10 minutes, sir. This round of questions will be from the official opposition party for five minutes. You may begin at any time. Please identify yourself for Hansard.

Mr. Nicholas Gall: Certainly. Unfortunately, I don't have multiple copies of the presentation. That's a fact sheet that is circulating. But I will provide those copies as soon as possible.

My name is Nicholas Gall. I'm appearing here today in my capacity as federal policy analyst with our national office here in Ottawa on behalf of my colleague Lynette Mader, who is the manager of provincial operations for Ducks Unlimited Canada, Ontario.

Thank you very much for the opportunity to be here today. Ducks Unlimited Canada understands the government of Ontario is challenged with balancing a multitude of priorities within considerable fiscal constraints, so we respectfully submit the following list of core priorities for inclusion in the 2015 budget.

First, by way of introduction, Ducks Unlimited Canada was established in 1938. It's a charitable, not-for-profit organization dedicated to conserving wetlands and associated habitats for the benefit of North America's waterfowl, which, in turn, provides healthy environments for wildlife and people.

As Canada's leader in wetland conservation, Ducks Unlimited Canada partners with government, industry, non-profit organizations and landowners to conserve wetlands. Using sound science, Ducks Unlimited Canada has been protecting, restoring and managing wetlands and associated upland habitats for over 75 years. In Ontario alone, Ducks Unlimited Canada has conserved close to a million acres of habitat in collaboration with more than 2,500 private landowners, 1,200 volunteers, 30 municipalities and almost 30,000 supporters.

Ducks Unlimited Canada is part of the larger Ducks Unlimited family, which has representation both in the United States and Mexico. Ducks Unlimited Canada is active in every province and territory in Canada.

I'd also like to emphasize that we have very significant leveraging power through the North American wetlands act, which effectively triples our investment in wetland conservation in Ontario. Every Canadian dollar that we raise has the potential to leverage one dollar from our sister American organization, Ducks Unlimited Inc., which, in turn, leverages another \$2 through the US Fish and Wildlife Service. So effectively, each Canadian dollar invested equals \$4 in conservation potential.

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Wetlands and their associated habitat, our natural capital, provide valuable ecological goods and services. Wetlands maintain and improve Ontario's drinking water quality and quantity by filtering pollutants and recharging groundwater aquifers. Wetlands maintain and improve service water quality on which the health of our Great Lakes depends. They provide environmental and societal value by moderating the effects of droughts, floods, climate change and erosion.

Wetlands also offer tremendous recreation and learning opportunities for people of all ages and are essential habitat for as many as 600 Ontario species of wildlife, including many species at risk.

Wetland values also contribute to Ontario's economy. Several studies have begun to quantify the economic value of some of these services. A recent DUC study found that wetlands currently remove harmful phosphorus from Lake Simcoe and save local municipalities in the Barrie area about \$300,000 a year just in terms of phosphorous filtration. Wetlands also in the Lake Simcoe basin are estimated to be worth \$11,172 per hectare annually, or \$435 million a year, in terms of total ecological goods and services through water regulation, water filtration, flood control, waste treatment, recreation and

wildlife habitat. Wetlands on the Ontario Greenbelt are estimated to be worth \$14,000 per hectare.

Ducks Unlimited carbon research findings indicate a potential carbon value. Assuming a hypothetical carbon price of \$30 per tonne, each hectare of restored Ontario wetlands is estimated to be worth between \$156 and \$406 per year.

The province of Ontario has recently committed to reversing the trend of wetland loss by 2025.

Interjection.

Mr. Nicholas Gall: Sorry. Is there some issue with the microphone?

The Clerk of the Committee (Mr. Katch Koch): No. You're too close; back up.

Mr. Nicholas Gall: Oh, okay. You're right. Thank you.

The province of Ontario has recently committed to reversing the trend of wetland loss by 2025. This impressive commitment will only be achievable through multiple cross-ministry involvement and recognition of wetland values.

Despite this important first step, our research in conservation planning efforts, as identified in our North American conservation vision, indicates that there is much work to be done in Ontario. In southern Ontario, over 70% of our wetlands have been lost, and research has confirmed that this trend is continuing. We estimate the cost to restore adequate wetland cover in southern Ontario to be approximately \$3 billion.

Ducks Unlimited Canada has a goal to conserve all existing wetlands in southern Ontario and to restore two times the current amount of wetlands over the next 20 years. Current landscape analysis indicates that a significant portion of southern Ontario is well below sustainability thresholds and that our still-healthy landscapes are under considerable threat. While the Ontario government has developed policies that protect habitat, a significant investment is needed for efforts that will restore ecological health to landscapes to adapt to the impacts of climate change and to continue to support humans and wildlife.

DUC believes that a comprehensive wetlands policy for Ontario that includes a mitigation sequence is critical to ensuring these valuable features are protected and restored. DUC believes that a mitigation sequence that enables wetland compensation in specific circumstances is a concept that can help to ensure a net gain of wetlands on the landscape, which, in turn, provides solutions across a variety of ministry interests and mandates.

More wetlands on the landscape contribute significantly to biodiversity and will help to mitigate the impacts of climate change. Wetland constructed as compensation can be a valuable asset on a landowner's property, not just for the environmental benefits, but for their value in biodiversity.

Thirdly, a comprehensive policy that enables mitigation and allows for compensation can provide a more clear path forward for industry, as opposed to the current path of navigating a complex array of regulatory requirements.

DUC believes that a mitigation sequence that enables wetland compensation in specific circumstances is a sustainable growth enabling solution that can bring a wide variety of stakeholders to the table, including land developers, industry, agriculture and conservation groups.

Here follows our six core recommendations:

Number one: Ensure the Ministry of Natural Resources and Forestry transfer payment to DUC of approximately \$350,000 per year is maintained and increased.

Secondly, ensure investment of provincial government dollars results in a net gain of wetland acres: Ideas for achieving this include a policy that Ontario infrastructure dollars invested must result in wetlands gain achieved through the implementation of a mitigation sequence—where avoidance of the wetland feature is the first step, minimization of the impacts is the second step, and compensation for loss of habitat, when unavoidable, is the third step.

Thirdly, invest in conserving southern Ontario wetlands through a legacy fund: Development of a legacy fund for wetland conservation in Ontario of \$5 million per year is needed to ensure existing wetland infrastructure is maintained and repaired and that new wetland acres continue to be added to this inventory. Despite the current habitat protection policies in place, Ontario loses wetlands faster than they can be restored. In some southern Ontario counties, the rate of loss is upwards of 95%. If this trend is not stopped and reversed, the negative impacts will be widespread and far-reaching. Notwithstanding the negative impacts that a dramatically reduced wetland abundance will have, this continued loss will impair the overall future quality of life of all residents of this province. We urge the province of Ontario to make wetland restoration a legacy initiative by establishing a significant fund similar in size and scope to Environment Canada's Natural Areas Conservation Program which will underwrite a comprehensive wetland conservation program in Ontario over multiple years into the future as well as create green jobs and stimulate the economy.

Fourthly, invest in conserving northern Ontario wetlands: Our legacy of valuable wetland infrastructure in northern Ontario will require an investment of approximately \$4 million. DUC Ontario strongly urges the province to invest in the infrastructure and renewal of wetland projects in northern Ontario. This will create green jobs and stimulate the economy in the north while protecting valuable wetland habitat. This in turn will:

- protect biodiversity;
- help to mitigate climate change and sequester carbon;
- mitigate floods and drought;
- provide recreational opportunities; and
- support a green economy and a healthy Ontario.

Fifth, the Great Lakes: The Great Lakes basin is very significant for Ontario. Of course, 98% of Ontario residents within the Great Lakes basin rely on the Great Lakes for their drinking water. Three out of four Ontario residents rely on their drinking water from the Great

Lakes. As the Great Lakes Water Quality Agreement has been—

The Chair (Ms. Soo Wong): Mr. Gall, can you wrap up because there's some questions?

Mr. Nicholas Gall: Certainly, yes. My apologies.

As the Great Lakes Water Quality Agreement has been successfully renegotiated and subsequently the Canada-Ontario agreement respecting Great Lakes water quality has been renewed, and as the Obama administration has made a significant financial commitment to the Great Lakes over the next five years, the province of Ontario should recommit resources to habitat and associated targets over the next five years to restore and protect the Great Lakes.

Lastly, we recommend investing \$2 million for wetland science to support conservation planning. The province should partner with—

The Chair (Ms. Soo Wong): Mr. Gall, I'm going to stop you here, because I understand you'll be submitting that in writing to the committee.

Mr. Nicholas Gall: Certainly, yes.

The Chair (Ms. Soo Wong): I want to get Mr. McNaughton, of the official opposition party, to ask you some questions about your presentation. Mr. McNaughton.

Mr. Monte McNaughton: Thank you very much. How much are you receiving from the provincial government annually now? Did you say \$350,000 per year?

Mr. Nicholas Gall: I believe, yes, for that specific investment, which is through natural resources.

Mr. Monte McNaughton: Right, and you said maintain and increase that. So what is the ask? A minimum of \$350,000? Is that essentially what—

Mr. Nicholas Gall: I believe so, yes.

Mr. Monte McNaughton: Okay. And just a question on the legacy fund, and I'm not sure of the inner workings of Ducks Unlimited: Have you partnered with the private sector on some of these initiatives?

Mr. Nicholas Gall: Again, I'm reticent to respond in my capacity as—my primary focus is the federal file. But from my understanding, all of our government-supported work does have substantial private-sector backing as well.

Mr. Monte McNaughton: Right. And then just finally, an issue I've raised a number of times: I have an issue in my southwestern Ontario riding with phragmites. Is that something that Ducks Unlimited is looking at? I know it's seriously damaging wetlands across southwestern Ontario, and I was just curious if you were familiar with—

Mr. Nicholas Gall: I think I misheard you.

Mr. Monte McNaughton: It's called phragmites.

Mr. Nicholas Gall: Phragmites? No, I'm not familiar with that. I'm sorry.

Mr. Monte McNaughton: I'm assuming that's something that Ducks Unlimited is looking into.

Mr. Nicholas Gall: I'd have to get back to you on that. I'm sorry.

Mr. Monte McNaughton: It is a weed, essentially.

What is the major reason that we've lost 70% of wetlands in southern Ontario?

Mr. Nicholas Gall: Primarily it's agriculture. You've also seen, of course, significant urban expansion in communities in southwestern Ontario. That is definitely the hardest-hit area in Canada in terms of concentrated wetland loss, for sure.

Mr. Monte McNaughton: Thanks.

The Chair (Ms. Soo Wong): Mr. Fedeli, you have three minutes.

1400

Mr. Victor Fedeli: Thank you. What is the \$4 million in northern Ontario for? Can you describe the project?

Mr. Nicholas Gall: Yes. We have a number of projects up there, approximately 30 or 40, I think. Most of them were undertaken in the early 1980s, so they're declining considerably in terms of the quality of their ability—water control structures, for example, are degrading over time, naturally. This investment would be to bring those back up to standard, where they can be effective components of preserving ecosystem integrity.

Mr. Victor Fedeli: Which buildings are you referring to? I'm not sure I know what you're referring to.

Mr. Nicholas Gall: They're not buildings per se. Typically, they would be a dam or a similar water control structure in a specific restored wetland environment.

Mr. Victor Fedeli: Are they publicly owned or privately owned?

Mr. Nicholas Gall: In many cases, they are privately owned. There are some publicly owned projects as well, I believe.

Mr. Victor Fedeli: Is this \$4 million annual or a one-time ask?

Mr. Nicholas Gall: Again, I'm not 100% certain of the specifics. I'm sorry.

The Chair (Ms. Soo Wong): Okay. Thank you very much. If your organization could submit your remarks in writing by next Friday—

Mr. Nicholas Gall: Certainly.

The Chair (Ms. Soo Wong):—and any outstanding questions the opposition party has asked about, that would be really helpful.

Mr. Victor Fedeli: Including details of the \$4 million.

The Chair (Ms. Soo Wong): Exactly, the \$4-million northern project you just talked about. That would be really helpful.

Thank you very much for your presentation and your submission.

Mr. Nicholas Gall: Absolutely. Thank you.

MR. PIERRE DROUIN

The Chair (Ms. Soo Wong): The next witness is Pierre Drouin. Sir, welcome. Can you please identify yourself for the Hansard? You have 10 minutes for your presentation. This round of questions will be from the official third party. You may begin at any time. Thank you.

Mr. Pierre Drouin: My name is Pierre Drouin. I'm making a presentation as an individual taxpayer of Ontario. I would like to thank the members of the committee for allowing me to make this presentation.

I have lived in Ontario for over 75 years. I must admit that I have been blessed with a very good standard of living, both at work—50 years in education: elementary, secondary, and mainly now at university—and at retirement, a quality of life I doubt my daughter and my granddaughter will enjoy, because Ontario needs fixing, and it needs fixing fast.

I do not believe that we can have a balanced budget or even make a dent in the provincial debt by nickel-and-diming expenses or by hoping there will be a sudden surge in revenues. No economic or financial forecast predicts any major increase in revenues across Canada. There may be some, but it will not be a major increase.

What I would like, and I would make a recommendation to all members of the Legislature, is to put aside finger-pointing accusation and work together to fix Ontario.

I will make the presentation based on the basic principles of equity presented in the Canadian Charter of Rights, the Pay Equity Act, the Employment Standards Act, the Human Rights Code of Ontario and the Canada Health Act. I will address five issues.

The first is on the public sector pension plans. I have chosen four public sector pension plans, but I could have added additional pension plans for comparison purposes. I found major inconsistencies and flaws in comparing these four pension plans. By fixing these, I think that we will have stronger and better pension plans, allowing government to reduce its contribution rate to the public sector pension plan.

I've taken HOOPP, OMERS, OPSEU and the Ontario Teachers' Pension Plan. If you look, there's a major difference in the contribution under \$52,500 and over \$52,500. I wonder why there are such differences in the pension plans. Does the government favour teachers over nurses by contributing a larger portion to their pension plan, or favour municipal employees over health care workers if we look at OMERS?

Some of the inconsistencies that I've looked at are, why base pension plans on the five best years of contribution when, in fact, the premiums I pay are not based on the best five years? One way would be to look, maybe, at the average career earnings to calculate pension and not at our best five.

Base pay versus base pay plus overtime: Some pension plans allow pension to be calculated on base pay plus overtime—some, not all.

Stacking of pension benefits: I can draw from a pension plan from the federal government, I can draw from the provincial, and I can draw from the municipal. This is an area that should be looked at.

Pension buyback: With new investment vehicles like the tax-free savings account, employees could invest in these areas instead of buying back. "I pay a smaller amount of money, and I get greater benefits on my pension benefits."

Also, an area that should be looked at is the matching of employer and employee pension contributions. Why must it be the same? Why must it be for the same length of time? Why must it be for all salaries? Is it possible to look at areas where we can cap? For example, a contribution would be up to a certain amount—I put an amount of \$75,000, but this is flexible. I made the calculation that a reduction in the contribution by the employer of 2.5% on all pension plans would yield at least a billion dollars that could be used for services.

I don't believe that balancing a budget has got to be done by cutting services. We have to look at all areas of expenses, including pension plans, salaries and so on.

The recommendation I'm making is very straightforward: Look at the pension plans and address the inconsistencies between the pension plans.

Another calculation I've made: If we took the lowest denominator and put all pension contributions by the employer at the rate of HOOPP, we would also save a billion dollars. There's no reason why a group of public employees should have better benefits than somebody else doing an equivalent or even more demanding job than others.

The second issue is that when we look at public employees, they sometimes get benefits no one else gets—automatic pay increases because of their pay structure. "I teach one additional year; I get additional money, but I'm doing the same job." This is automatic. "I take a course, and then I will look at an area involving pay grades based on qualifications and experience." This is an issue that should be looked at.

Complementary health care plans: Why should citizens of Ontario be subsidized by public funds to get additional health services that nobody else can get? This is a question of equity.

Parking: Some employees have to pay. Nurses go to the hospital and pay for their parking. In other areas, people don't pay for their parking. You want schools to have a source of funds? Introduce paid parking for teachers and employees. Introduce paid parking for all public employees—or say, "Everybody gets it free or everybody pays."

I've made a recommendation on looking at subsidization of complementary health care benefits on page 6.

Issue number three, education expenses: I've done lots of research and I've looked at, for example, placement of teachers in salary grids, which is decided by a union-subsidized organization, the Qualifications Evaluation Council of Ontario. It's not a ministry-funded organization, which means that nobody at the school board or at the ministry level has full control of how much money it's going to cost for salaries. No private employer could work this way. "I take courses and automatically I can move in the grid." Nobody knows that. No school board can predict how many of their teachers will be taking qualifications. You could have a thousand teachers across Ontario taking courses, and they will move in the grid, and it means additional expenses. I will address that later on, looking at a different pay structure for teachers and

for any group of employees where their pay grades are based on qualifications and experience. So there's a loss of control of salary expenses.

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There's also inconsistency on being placed on the grid for my teaching assignment. For example, I could be qualified in history. QECO will place me in category three, but I teach mathematics, an area in which I'm not qualified. This is another area that should be looked at.

The present system does not look at the supply-and-demand free market. We have a surplus of qualified graduates from faculties of education, a surplus of teachers, and still the pay is staying the same. There should be a supply and demand aspect to public sector employees.

Equal pay for work of equal value, or equal pay for equal work—a principle that has been defended by unions way back—cannot justify why, where two teachers are doing exactly the same job, with the same qualifications, one gets \$30,000 less than somebody else.

A pay equity challenge would put the government in a very, very serious position, and I'm not certain that nurses will not eventually go on a pay equity challenge to the government. It will come about. Why are teachers paid, at their highest level, \$100,000 and nurses at the most \$65,000 to \$72,000—same qualifications?

There might be objections by teachers' unions, but I will look at one objection on qualifications because they argued against qualifications way back in the 1950s and 1960s. In the ruling on the Wentworth County Board of Education versus the teachers' union, because some teachers without academic qualifications were being paid less than those with academic, they argued against qualifications, and they won. There's a precedent to set that up.

The Chair (Ms. Soo Wong): Mr. Drouin, can you wrap up your presentation? There are going to be some questions from Ms. Fife to you.

Mr. Pierre Drouin: Okay.

The Chair (Ms. Soo Wong): All right. Ms. Fife, will you begin the questioning?

Ms. Catherine Fife: I think we're pretty clear about where Mr. Drouin stands on a number of issues based on the presentation.

Can you just clarify—you were a teacher?

Mr. Pierre Drouin: I was a high school teacher. I was a chief negotiator in negotiations for about 15 years. What I'm saying might look like blasphemy to you or to some of my fellow teachers, but I think it's time that we look at fixing Ontario first.

Ms. Catherine Fife: So I think you understand that negotiations with teachers are going to be coming up in this province, and a number of issues will be on here. As a former trustee, I can tell you that the parking issue has been approached by several boards across the province.

I thank you for taking the time to come in and share some of your concerns. I think that the finance committee is looking for creative suggestions for savings across the province, and we have a responsibility to take your

suggestions back to our respective parties. Thank you very much, Mr. Drouin.

Mr. Pierre Drouin: Thank you.

The Chair (Ms. Soo Wong): Thank you very much for your presentation.

PARKINSON SOCIETY ONTARIO

The Chair (Ms. Soo Wong): The next group coming before us is the Parkinson Society Ontario.

Just to remind everybody, we have a call-in, so I wanted to make sure we're on time. That's why I'm so strict about the time.

Good afternoon, sir, and welcome. Are you Lloyd Cowin?

Mr. Lloyd Cowin: Yes, I'm Lloyd Cowin.

The Chair (Ms. Soo Wong): Welcome. Can you please identify yourself for Hansard purposes? You have 10 minutes for your presentation. This round of questioning will be from the government side. You may begin at any time.

Mr. Lloyd Cowin: Thank you. Yes, I am Lloyd Cowin.

I just want to say, to start out, I don't envy you. You have to absorb a lot of information in a short period of time. So many needs and so little money; it must be overwhelming at times.

My name is Lloyd Cowin. I'm a member of and volunteer for the Parkinson Society Ontario and a resident of Orléans. I've had Parkinson's for over 10 years. Today, on behalf of the three regional Parkinson's offices in Ontario, I'd like to highlight the challenges of Parkinson's, some of the implications and costs of the disease to the province, and introduce means to mitigate these costs. My agenda will be to briefly describe Parkinson's, the good work of the Parkinson Society Ontario, the research that has been done recently that's very revealing, and some recommendations. I'm going to do all that in 10 minutes.

Parkinson's is a serious progressive neurodegenerative disease that has devastating impacts on individuals and families. I want to emphasize the family aspect; I'll talk about this a little bit more, but it does have a devastating impact on families. It's most commonly known for its movement disorder symptoms such as tremors and involuntary movements. However, recent research has highlighted the significance of cognitive and non-motor issues with Parkinson's—the hidden parts of this disease. I can personally attest that these parts are very significant in my own life.

There is no known cure for Parkinson's, and there are approximately 40,000 people in Ontario right now living with Parkinson's. That means there are about 160,000 people in Ontario who are affected by that disease, including families, friends and caregivers.

Parkinson Society Ontario is part of the umbrella of the Parkinson Society Canada, of course. It's comprised of three regional offices offering support services, information and specialized programs for Ontarians

living with Parkinson's, and their caregivers. All of this is funded solely through donations.

With over 100 support groups province-wide, Parkinson Society Ontario has dedicated and knowledgeable staff and volunteers available in communities throughout the province to lessen the immense challenges that Parkinson's presents.

Parkinson Society Ontario also invests in Parkinson Society Canada's National Research Program, which contributes approximately \$1.5 million to research nationally on an annual basis.

Parkinson Society Ontario's mission is to ease the burden and find a cure through advocacy, education, research and support services. I can personally attest to the value and benefit of the programs they offer.

Research: Very recently, late in 2014, the first Canadian National Population Health Study of Neurological Conditions was published. This was a very significant report and a long time in the making. Among its many findings were the following five points:

(1) The number of new cases of Parkinson's disease is expected to double over the next 20 years.

(2) The total annual costs in the next 20 years for Canadians over 40 with Parkinson's and Alzheimer's will be twice as high as those for Canadians with other neurological conditions.

(3) Parkinson's has been found to be one of the most expensive diseases in the study, and by 2031, total direct health care costs for Canadians with neurological conditions will be between \$0.6 billion and \$13.3 billion greater than the health care costs of Canadians without these conditions. Parkinson's is one of the most expensive, so it's going to be closer to the \$13.3 billion of higher expense.

(4) Approximately 40% of people in Ontario with neurological conditions receive informal support in daily living activities and transportation. We're talking 16,000 Ontarians. These informal caregivers—family, friends, caregivers, neighbours—contribute 22 hours or more per week of support for each person with Parkinson's. Again, the drain on the province is: that's 880,000 fewer hours that Ontario caregivers have available for paid employment and/or that they do on top of their regular employment, leaving them open to stress and potential disease themselves.

Furthermore, other research has shown recently that on average, those persons diagnosed with Parkinson's under the age of 50 are unable to work within seven years of diagnosis, increasing the financial burden on family and the province.

(5) Finally, in research, in a study of Medicaid beneficiaries in the US who had been hospitalized with Parkinson-related conditions, it was found that approximately 50% of the patients who did not see a neurologist or a specialist had higher incidences of falls, hip fractures, and increased rates of hospitalization and readmission. The study also cited that those who had been seeing a specialist or who had been followed by a neuro-

logist had reduced incidences of hospitalization from psychosis, urinary tract infections and traumatic injury.

I guess the point here, when we get to recommendations, is that reducing costs and improving care are not mutually exclusive. I'd like to highlight just a few recommendations.

First, one way to reduce the health care costs of Parkinson's is to reduce the time it takes to see a neurologist who specializes in movement disorders. That's key. Obviously, that's going to be beneficial to the patient, but it's also going to be beneficial for the health care costs down the line.

The Canadian guidelines on Parkinson's disease indicate that wait times to see a movement disorder specialist should be no longer than six weeks, and only two weeks for those who are in the later stages of disease progression. But across Ontario today, wait-lists to see neurologists specializing in movement disorders are currently one year or more, and growing, in the areas where those specialists exist. In many communities in our province, access to a neurologist specializing in movement disorders is not even possible, due to the great distance between patient and specialist. This is particularly an issue for rural communities and in northern Ontario. Parkinson Society Ontario estimates that two thirds of the patients do not have access to a neurologist.

So you can see, coupled with the research that was done in the States about the increased falls, hospitalizations and readmissions when not followed by a neurologist, how these costs can escalate in our health care system.

One way to reduce the health care expense that growing wait-lists can create is to adopt the service delivery model from McGill University's Movement Disorders Clinic program. McGill's program offers a unique interdisciplinary team, including specially trained Parkinson's nurses who triage patients and become the primary contact and navigator for patients waiting to see a neurologist. These clinical nurse specialists contact patients on the waiting list within two weeks of referral to determine their degree of need. Based on that degree of need, this gets basic care and resources to those who need it most, and their families, while waiting for more in-depth assessment and treatment by a neurologist.

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A similar model was implemented in Ontario recently with nurse practitioners and palliative care. They were effectively deployed throughout the province to help navigate families through the palliative care service delivery system. The same could be done for persons with Parkinson's with clinical nurse specialists. Having access to such a resource could not only help reduce the health care costs identified earlier, but could provide better care and support to patients and families.

The second way to decrease costs is to ensure greater access to and use of videoconferencing services such as the Ontario Telemedicine Network. That will help connect these more isolated patients in rural and northern areas of the province to neurologists specializing in movement disorders in other parts of the province.

These examples would not cost a great deal of money and would go a long way to improving access. We estimate—and this is an estimate—that for less than \$25 per person with Parkinson's we could implement both of those two recommendations that I just mentioned. The savings in avoided ER visits and hospitalizations would pay for that within a very few years.

There are also longer-term endeavours which could decrease wait times and therefore expenses. They include better education of family physicians in the signs and symptoms of Parkinson's, which would improve earlier referral to neurologists specializing in movement disorders. Ontario also needs to do more to attract, retain and increase the number of neurologists specializing in movement disorders so that the growing need does not become a crisis over the next 20 years when we have twice as many people with Parkinson's and an even greater lack of neurologists. These two examples of longer-term projects obviously, by investing a small bit now, could help avoid crises in the future.

In summary, we'd like to offer the time, involvement and expertise of Parkinson Society Ontario toward any work or discussion taking place at a provincial level surrounding dementia, because this is a big part of the costs. Given that we know that up to 70% of persons living with Parkinson's will experience cognitive issues, including dementia, we want to make sure that their needs are addressed. We believe that, working together, we can improve services to the 40,000 people living with Parkinson's and the over 160,000 Ontarians who are affected by the disease, while limiting costs to taxpayers.

Thank you for your attention.

The Chair (Ms. Soo Wong): Thank you very much for your presentation. I think this round of questioning is from Ms. Hoggarth.

Ms. Ann Hoggarth: Hi, Lloyd.

Mr. Lloyd Cowin: Hi.

Ms. Ann Hoggarth: Thank you very much for your presentation and particularly for the work that your society does for people with Parkinson's. I have a good friend whose whole life has been turned upside down by this condition, and things are just not the same with her.

Parkinson's is affecting more and more Canadians every year, as your statistics point out, and I think that if we looked at that we'd know that some of us around this table are eventually going to be stricken with Parkinson's.

Your suggestions about early intervention by neurologists are great and we will be taking them back and looking into that.

I have a question for you. How has the integrated care provided by the health links been helpful for patients with Parkinson's?

Mr. Lloyd Cowin: I am not aware of it being helpful at all. It could be. I'm not saying it's not helpful; I'm just not aware of it.

Ms. Ann Hoggarth: Okay. Well, then, I'd ask you what improvements could be made to benefit these patients.

Mr. Lloyd Cowin: Well, as I said, I think that having access—there's no quick fix to wait-list management, right? If the guidelines recommend six weeks, and we've got over a year in some parts of the province and no access at all in other parts of the province, it's not going to be a quick fix.

I think the way to deal with that is to help those who are on the waiting list right now through clinical nurse specialists. I think that's a cheaper way to go and to deal with the problem that exists now. Over time, I think we need to build up the number of neurologists that we have in the province, but that's a longer-term fix, and that by using technology to help connect people—like the Ontario Telemedicine Network—we can also better connect people who are more isolated to the specialist care that they need.

Ms. Ann Hoggarth: That program is working?

Mr. Lloyd Cowin: It is working in other sectors. I don't think it has been organized for Parkinson's, necessarily, but there are different disease specialties that have used it very well. I think we could use those models to develop that for Parkinson's, and I think it would be very helpful.

Ms. Ann Hoggarth: Great. Thank you very much.

The Chair (Ms. Soo Wong): Thank you very much for your presentation, sir.

Mr. Lloyd Cowin: You're welcome.

CANADIAN OWNERS AND PILOTS ASSOCIATION

The Chair (Ms. Soo Wong): The next individual is Kevin Psutka. Thank you very much, sir. Welcome. Good afternoon. Can you please identify yourself for Hansard? You have 10 minutes for your presentation, and this round of questions will be the official opposition party.

Mr. Kevin Psutka: Okay. My name is Kevin Psutka. I'm the president and CEO of the Canadian Owners and Pilots Association. There is a presentation that is being handed out now, and I'm going to refer to that presentation to stay within my 10 minutes. I'll start, so I don't cut into it, and hopefully you'll catch up with me.

To start with, I've got to define who we are. The Canadian Owners and Pilots Association, or COPA, represents people who own or fly aircraft for personal transportation and recreation. We have over 17,000 members across Canada.

A couple of definitions about the sector of aviation that I represent: General aviation is all aviation activity except scheduled airline and military. Private aviation is that portion of general aviation where aircraft are flown for personal transportation and recreation, like a family car. Most piston-powered aircraft use 100 low lead aviation gasoline, and a smaller number of those can use automobile gasoline.

I'm on page 4 of my presentation now, if you just got your presentations, and it's a graph of the number of aircraft in Canada. I'm going to show you a couple of

graphs now to illustrate the size of our sector of aviation in Canada for those of you who do not know.

The total number of aircraft is over 35,000 now, and it has been growing over the years. It levelled off around the 1990s time frame, and it's been climbing mostly up to trend ever since.

Slide number 5 shows the number of large aircraft versus small aircraft. In our business, we make the cut-off at 12,500 pounds. The large airliners are in that large class, and all the smaller ones are in that lower one. You can see by the bars there that the vast majority of aviation in Canada is small aircraft.

The next slide, which is number 6, shows the number of privately registered aircraft versus those that are commercially registered, and again, the vast majority of aircraft in Canada are privately registered.

On slide number 7, we drill down into the number of aircraft that there are in Ontario. The total number of aircraft in Canada is 36,000, but 10,000 of those are resident in Ontario and 9,600, almost 9,700, of those are small aircraft, and the total of private aircraft is about 8,400. The majority of those small aircraft use aviation gasoline, the 100 low lead aviation gasoline.

On slide 8: In May of this year, we sent a letter to the Premier of the province in response to the budget regarding the increase in tax that was placed on aviation gasoline. I'd like to point out that aviation gasoline is 30% to 40% higher in price than automobile gasoline, and the Ontario government, without consultation with our sector of aviation, decided to raise taxes by 150%. Also, in that letter—on page 9 of my presentation—we highlighted that general aviation is a very high-cost form of transportation, and therefore very sensitive to any cost increases, and that it should be encouraged to grow because it generates the next generation of pilots and mechanics for the airlines, it generates billions in the economy and taxation, and it's the only form of transportation for people and goods to a significant portion of this province.

On page 10 of my presentation, we pointed out in that letter to Premier Wynne that the significantly higher base price of aviation gasoline compared with automotive gasoline generates 40% more revenues for the province compared with the equivalent volume of automotive gasoline, so those who use aviation gasoline are already contributing significantly more tax revenue because of a much higher fuel price.

There were several statements made in the budget that showed that the money generated by the tax increase will not be spent on airport infrastructure. There's a quote on that page that says, "Our transportation plan—Moving Ontario Forward—would dedicate two new funds to fight traffic congestion and invest in roads, bridges and transit totalling \$29 billion." There's nothing mentioned about aviation. So we mentioned to the Premier that, in effect, our large and important sector of aviation is being treated like a cash cow, and that's a marketing principle whereby milking a cash cow without providing return investment will eventually result in its demise.

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Compared with virtually all other provinces, Ontario's tax on aviation gasoline will be well above the others when the fuel tax increase is fully implemented. The other provinces clearly recognize the importance of this form of transportation.

In a follow-on letter to the Premier—number 14 in my slides—we said that we're not opposed to taxation of our sector as long as the money that is collected is in turn spent on projects in our sector. There are several reports—and I can send them all to you, if you wish—that show clearly that Ontario's airports are desperately in need of upgrading just to remain safe, let alone expand to meet the needs of the growing general aviation sector, as I showed you on that earlier slide.

In that letter, we also pointed out that we called for the re-establishment of a dialogue with the Ontario government leading to airport infrastructure and funding.

More recently, we put our support behind MPP Michael Harris' ground-the-flight-tax initiative, which is not only going after aviation gasoline; it's also going after the tax on aviation fuel for jets. That quote that you see on page 16 of my presentation is one of the "whereases" that talks about how important our sector of aviation is. It also shows some logos of the various supporters of that effort to fight that tax.

Our recommendations are simply this: Rescind the tax increase on aviation gasoline until the following occur:

- a thorough examination of the other provinces' taxation on fuel, including the rationales for keeping them as low as they currently are;

- establish an airport infrastructure funding program, including consultation with those who would be affected by and benefit from such investment; and

- tax fuel only to the extent necessary to support airport infrastructure improvements.

That's my presentation. Thank you.

The Chair (Ms. Soo Wong): Thank you very much for your presentation. Mr. Fedeli or Mr. McNaughton? Mr. McNaughton, you go ahead.

Mr. Monte McNaughton: Just one quick question before I turn it over to my colleague: Do you know the total number that the government is going to raise from this tax hike?

Mr. Kevin Psutka: Yes. It is outlined. I had forgotten to bring it with me.

Mr. Monte McNaughton: Okay. I was just curious. I think I read it before, too, but I know it's a huge increase, obviously.

The Chair (Ms. Soo Wong): Mr. Fedeli.

Mr. Victor Fedeli: Thank you very much for being here today. It's much appreciated that you came and talked to us. You're one of many presenters who have tried to shed some light on the implications of not only a tax increase in the aviation sector, but also when you do things without consultation, that there are laws of unintended consequences.

But I'm going to give the guys across the street here a break today. I would prefer, to be quite honest, to talk

about the future of aviation. We all know the tax is destructive. We understand that. I want to talk about flight training and MRO, if we can. I'm very concerned—and I'm eager to hear your thoughts on where the pilots of the future are going to come from, where the maintenance, repair and overhaul people of the future are going to come from, and whether we're adequately staffed up right now in our community colleges and in our private sector for flight training, because I understand that there are so many rules regarding flight training that we may not be there today. So I'm eager to hear your thoughts on that.

Mr. Kevin Psutka: Thank you. My answer is very brief: China. That's it.

We were known, in the Second World War, as the aerodrome of democracy, where we opened up many airports in the country to train the world's pilots. We have seen a steady decline of that ability to offer that service for the world, to the point now where we are cutting into our own ability to generate pilots for our own need for the future.

What we are doing in the very short term is training the rest of the world, particularly China, India and a couple of other countries like that, who aren't going to have any net benefit to Canada as a result. But eventually they will build their own flight training capability to the point where they will have excess capacity and be training the rest of the world's pilots.

We are doing nothing to support or encourage our existing flight schools, and there have been about 150 of them closed just in the last not too many years. The number of people who are being encouraged to come into aviation—because it is getting more expensive and more difficult to get to places to train—is dwindling. Eventually, I think we're going to see a turn where pilots flying Air Canada airliners will be Chinese pilots. It's as simple as that.

Mr. Victor Fedeli: Kevin, I can tell you, when Max Shapiro from Voyageur Airways taught me to fly in 1978, it was 10 bucks an hour. Do you remember those days?

Mr. Kevin Psutka: Oh, I do.

Mr. Victor Fedeli: Those were pretty cheap days to learn how to fly.

Talk to us about the 150. I'm very concerned about this. I've had groups come into my office over the last couple of years and talk to me about the fact that there are so few places to train pilots in Ontario, and it is decreasing. You talk about 150 closed up. Can you shed some light on what happened?

Mr. Kevin Psutka: There have been a number of things that have encouraged that decline. A large portion of it is cost-based. The price to play is going up and up and up. The taxation of it has been going up. In this province in particular, the change a number of years ago in the private colleges act, which put flight training in the same category as barber schools and that sort of thing and imposed some significant requirements, both regulatory and financial, on the flight schools in order to be

able to offer their services, has resulted in a large number of flight schools just closing their doors because they can't make ends meet.

Mr. Victor Fedeli: A lot of it was red tape, if I recall correctly.

Mr. Kevin Psutka: Yes, very much.

Mr. Victor Fedeli: Today we have a new threat in the sector, and that's higher fuel.

Are we going to have enough pilots and enough maintenance, repair and overhaul people in Ontario in the next five years?

Mr. Kevin Psutka: No. It's clear to the industry that that's not possible.

The Chair (Ms. Soo Wong): Thank you very much, Mr. Psutka, for your presentation.

Mr. Kevin Psutka: Thank you.

The Chair (Ms. Soo Wong): I'm going to ask for a five-minute recess because the next witness is coming in by phone. The other option is that we can go to our next witness and come back to it. Is that good with everybody? Do we have the United Food and Commercial Workers Union?

Okay. I'll give everybody a five-minute recess. Come back promptly, because I will try to get the staff to get the call. Thank you.

The committee recessed from 1437 to 1447.

The Chair (Ms. Soo Wong): I'm going to resume the committee. The staff are still trying to reach Ms. Donna Marx, and have not been successful in contacting her.

UNITED FOOD AND COMMERCIAL WORKERS UNION LOCAL 12R24

The Chair (Ms. Soo Wong): We're going to move to the next witness, United Food and Commercial Workers Union Local 12R24. I believe Mr. Robert Edwards, the president, is here.

Can you please come forward, sir, along with your colleague? Welcome. Good afternoon. Mr. Edwards, as you know, we will be asking you to present for 10 minutes, and this round of questioning will be coming from the official third party. They will have five minutes for Ms. Fife to ask you any questions.

I just want to remind all of the members that there is a handout from this particular witness in front of you.

Welcome. Can you please identify yourself and your colleague for the purposes of Hansard? Thank you.

Mr. Robert Edwards: Yes, thank you. My name is Robert Edwards. I am president of UFCW Canada Local 12R24, representing Beer Store workers throughout the full province of Ontario.

To my right is Doug Blaine. Doug is a service representative with the local union, and also serves as the recording secretary of the local—and maybe part-time speech writer, or speech writer helper.

Thank you for the opportunity to meet with us today. We were double-booked in Toronto, and we've dropped some other important business to spend our time with you folks and are very pleased to do so. Thank you.

United Food and Commercial Workers Local 12R24 is proud to represent 6,000 Beer Store workers at 466 retail and distribution centres across Ontario. About 447 of them are retail sales operations.

We are aware that the Premier's Advisory Council on Government Assets has presented the government of Ontario with some recommendations that will greatly affect beer retailing in Ontario. While this has become a topic of conversation across multiple platforms, this debate needs to be grounded in facts.

I'm here today to express my deepest possible concern about what the authorization of the sale of twelves, or 12-packs, in LCBO outlets, in concert with an imposed prohibitive franchising fee, will mean to all of our members and their immediate and long-term employment.

Please consider the following: The sale of twelves and twenty-fours is central to the livelihood of 6,000 UFCW members in Beer Stores across all of Ontario, in facilities that have been custom-built to handle these products. LCBOs are not built to handle the sale of this product. Many LCBO stores would have to be remodelled with tax dollars, once again, or reduce high-revenue-returning shelf space to accommodate the product.

The Beer Store, as a privately funded operation, invests in Ontario by renovating and building new-format stores. Transferring sales of this product from the Beer Store to the LCBO will not bring about any increase in revenue for the government, but rather pressure increases to the prices on beer due to the increased costs of distribution and service charges.

During discussions with the panel, they confirmed that the Beer Store was a less expensive model than the LCBO retail and distribution channel. Ontario gets a good return from the current model at the Beer Store, which renders over \$774 million annually to the government of Ontario to support important public service infrastructure programs without any public funds spent on capital or operating costs.

If Beer Stores are no longer a viable business model due to the transfer of sales to the LCBO and/or because of an imposed prohibitive franchising fee, the award-winning and highly efficient Ontario Deposit Return Program will be lost. LCBOs are not built to handle the return of empties. Empty returns in the LCBO will significantly and adversely affect the customer experience. The Beer Store saves Ontario taxpayers \$40 million annually by diverting 407 metric tonnes of alcohol beverage containers from municipal blue box programs. That's every beverage alcohol container, regardless of its origin, that is sold in the province of Ontario. It would be prohibitive to municipality tax bases and the Ontario government to establish a recycling, retail and transportation network program, from the ground up, to handle this material.

The Beer Store sells over 490 brands from 105 brewers, and with the recent announcement will allow ownership for Ontario craft brewers. Craft beers have equal access to the Beer Store's 447-store network and highly cost-effective and efficient distribution system—and, may I point out, they always have. More than 20%

of the Beer Store listings are from craft beers. Craft beer sales have grown by 67% over the past five years—obviously an explosion in that area, and more so than for the big guys, that's for sure—and continue to grow as additional new-formatted stores are introduced where they're all in full view on shelves; they're not hidden behind the so-called back wall. Ownership will allow for stewardship and expansion opportunities for Ontario craft brewers.

Allowing LCBOs to sell 12-packs will hurt craft beer sales. The LCBO has no mandate to provide retail access to all qualified brands. This means that shelf space would be reserved for leading beer brands with high sales volumes. Smaller craft beer brands would be squeezed off LCBO shelves. Slower sales of Ontario craft beers, which specialize in small-package sales, means stagnant hiring, sales and collected tax revenue in what has become a very important food and beverage sector for our provincial economy.

UFCW Local 12R24 strongly believes that the recommended changes will not achieve the desired results, but rather have a devastatingly negative impact on our members who sell beer responsibly and efficiently in a system that has served Ontarians well and generates vast revenue for the province. A migration of as much as 20% of sales, with regard to the 12-packs alone, through a much more expensive retailing system, added to a 38% increase to the annual operating budget in the form of the franchising fee with really no tangible benefit other than being able to open the door tomorrow morning, will force the Beer Store, which remains the most efficient and cost-effective retail and distribution channel for beer in Canada, to evaluate their viability. We're quite convinced of that.

Although we are able to understand some of the logic in and around the winds of change to the operation and the core presentation of the Beer Store, I'm convinced that the combined and cumulative effects of these lethal alterations to the Beer Store will put the entire system in serious jeopardy and most certainly put the employment of 6,000 bargaining unit employees in grave danger.

Along with the presentation, I believe it was earlier noted that there's a handout, a kind of background document as well. I'm just going to go to a few thought-provokers, and they're somewhat referenced in that document.

I referenced 6,000 bargaining unit members throughout the province of Ontario. A lot of these folks are temporary employees who are putting themselves through school; some are older workers who are in a second career, augmenting retirement income in some way. About 1,400 of those folks are full-time bargaining unit folks. This is their career. There are about 1,000 families involved from the management side of the business as well; as a bargaining unit, you shouldn't be surprised that we care about those folks as well. They've worked tirelessly to build the system over the last number of decades, and we're quite proud of what we've accomplished on behalf of the taxpayers of the province.

I'd like to point out too—and I think most of you realize—not a penny of taxpayers' dollars goes to fund-

ing the Beer Store. It stands on its own by the owners, and we all know who the owners are. They're referenced as those big, bad offshore guys. We encourage foreign investment, but then, when it happens—I don't know—it seems to bring all the arrows your way. I'm having a hard time working my way through that. I don't want to beat up on our LCBO counterparts and our OPSEU members at LCBO, but, again, not a penny of taxpayers' dollars fund that: a \$300-million annual operating budget, and that's where the 38%, the \$100-million franchising fee, would be devastating to that operation.

Craft brewers don't pay at all, save and except a small listing fee, a very minor listing fee, and can list and always have been able to list at the Beer Store. The listing fees, as I say, are very nominal, and all can list and always could. We embrace them. As you can see, the numbers in the packages display that they're a big part of the Beer Store, and we're proud to present their products to the beer-buying public of the province.

New format stores: All stores in the last, I would say, four to five years are full, wide-open self-serve, empties being separate so that people aren't waiting for the empties process to take place to get in and buy what they want, get out and go to whatever particular function they're going to attempt to enjoy later in the day, be it a hockey game that night or heading to the cottage or whatever.

The Chair (Ms. Soo Wong): Mr. Edwards, can you wind up your comments so that we can have some questions?

Mr. Robert Edwards: I certainly will. There are only two other things I want to touch on: This secret deal, that apparently the Beer Store writes their own ticket or something, that's being referenced by the media I think is an insult to the government, quite frankly. The government obviously controls the sale of beverage alcohol. It is a controlled substance and obviously there were agreements in place as to how and who does what and what the LCBO does and what the Beer Store does. So the so-called secret deal: I would take it as an insult as a member of the government.

Lastly, food for thought: If one compared—and this is what people don't realize—the cost of presenting product at the LCBO vis-à-vis the cost at the Beer Store, it would be quite shocking, I think.

Thank you very much.

The Chair (Ms. Soo Wong): Thank you very much. Ms. Fife, will you begin your questions?

Ms. Catherine Fife: Thank you very much for coming and sharing your thoughts. Clearly, it's a very topical issue. It has been in the media for the last year, but more recently because of Mr. Clark's commission. He keeps using language like he's "focused on unlocking value." I'd like to give you an opportunity to perhaps comment on the precursor to the modernization of the Beer Store and where you think this unlocking of value is as it relates to the Beer Store and your members.

Mr. Robert Edwards: I don't know that the value is there that Mr. Clark sees. I can't speak for him, whether

they're confusing it with these offshore owners that have billions of dollars and whatnot. Ontario is a very important market and there is profit in the industry, but there isn't a motherlode of money. Again, the budget for the Beer Store is \$300 million annually. A \$100-million franchising fee is not just going to materialize out of thin air. That's going to come out of the budget. That's an argument that I guess those big folks are going to have to have. But what I'm concerned about is how that's going to impact the 6,000 bargaining unit families and 1,000 people who are administrative or management folks, those families, and how they may be affected.

1500

If you ran a business and 20% of your volume, because of another decision by another body, migrates somewhere else—to a much more expensive chain, as well—and then 38% of your budget gets eaten one way or another, that's a serious effect. That's going to have a devastating effect on the people who work for that employer, whoever they may be. In this case, it's the Beer Store.

Ms. Catherine Fife: Thank you. Would you also like to comment on the recent decision by the Beer Store to invite Ontario craft brewers to the table? What are your thoughts on that move by the Beer Store?

Interjection.

Ms. Catherine Fife: Can you pull back from your mike? Because it's—okay. Thank you.

The Chair (Ms. Soo Wong): Step back. Just step back.

Mr. Robert Edwards: Better?

Ms. Catherine Fife: Yes.

Mr. Robert Edwards: Great. Thank you.

I don't like to speak for the owners. I deal with them somewhat. They try to insulate themselves and have us deal directly with the Beer Store. But I think that's a big move on their part in terms of bringing in the smaller brewers. I think it's necessary. I think it's a good thing that those folks have a seat at the table—the board of directors, if you will—and management decisions, and it gets them on board so they have a better understanding of why things happen, what the costs of them are, what the costs of the bricks and mortar are, the stores, the people, the trucks, all of the equipment that you need. I think it's quite an overture, and I was frankly surprised by it, but pleased by it as well.

I think it's going to be a slow take-up from craft brewers. Remember, they're not paying anything other than a minor fee to list their products. The big guys are funding this totally; they totally are. The little guy, I know, is kicking and screaming to a certain degree, but they're not putting up a dime either, other than the cost. It's going to cost you something to sell your wares. You just don't get the right to say, "You're going to sell my stuff and you're going to pay the freight and pay for the bricks and the mortar and the buildings and the trucks and the people and the pensions, those sorts of things."

I think it's a big overture from the big guys, and I'm pleased by it, quite frankly.

Ms. Catherine Fife: Do you think, though, that—perhaps this is an unfair question, but there is a call out there from the province of Ontario to have greater access to craft brewers. This is an amazing product that Ontario is producing, and an untapped economic opportunity, I think, for some smaller communities, if you think of a rural economy. Do you think there's room for improvement to expand Ontario craft brewers within the Beer Store structure?

Mr. Robert Edwards: Absolutely, and—

The Chair (Ms. Soo Wong): Thank you, Mr. Edwards.

Ms. Catherine Fife: Thank you very much.

The Chair (Ms. Soo Wong): Thank you very much.

MS. DONNA MARX

The Chair (Ms. Soo Wong): Okay, folks. We now have the 2:45 presenter coming to us by conference call.

Donna? Ms. Marx, are you on the line?

Ms. Donna Marx: I am.

The Chair (Ms. Soo Wong): Okay. My name is Soo Wong, the Chair of the Standing Committee on Finance and Economic Affairs. We're here in Ottawa today, and we're delighted that you can join our hearings on the issue of the 2015 budget.

I'm just going to introduce the members of the committee who are present at the table, okay?

Ms. Donna Marx: Sure.

The Chair (Ms. Soo Wong): From the government side, we have Ms. Laura Albanese, Mr. John Fraser, Ms. Ann Hoggarth, Ms. Marie-France Lalonde and Ms. Daiene Vernile; from the official opposition, Mr. Vic Fedeli and Mr. Monte McNaughton; and from the third party, Ms. Catherine Fife.

Ms. Marx, as you know, we have 15 minutes for the total of your presentation, 10 minutes of which is for your presentation, followed by five minutes of questioning, and this is coming from the government side.

You can begin any time. Begin by introducing yourself and if you are representing a certain organization.

Hello?

Ms. Donna Marx: Hello?

The Chair (Ms. Soo Wong): Can you begin by identifying yourself and if you are representing any organization, and what position you are. You can start any time.

Ms. Donna Marx: Art Eggleton had done a good article on three ways to end poverty. It said, "‘Mincome’ demonstrated a reduction in health care costs and higher school graduation rates" in Manitoba. So I'd like everybody, if you have an opportunity, to look up Mincome.

"While there will be transitional costs, overall we don't need to spend more money; we need to invest smarter, more efficiently and effectively."

We know with tackling tax havens that that's something that should have been done long, long ago. Why not? If you're privileged to earn your living on soil here

and you have employees, then don't have a tax haven in Switzerland or anywhere else.

I think there was something about beer stores and Ontario beer. Doran's ale in Timmins was a good ale. But I think there should be a skull and crossbones, or it should say, at least, "Any more than one or two is going to make you fuzzy in the head. Don't drive." Really, it has come to that. I don't think MADD is getting enough support. It's not enough.

There are new regulations. If they are doing over 40 clicks, the fine is \$295. Over 50 clicks, it's \$2,000 to \$10,000, and I think they take the car. So I'm glad.

Business—not enough places that are really honest and credible that a person can get—

The Chair (Ms. Soo Wong): Ms. Marx, can I stop you for a minute? It's Ms. Wong. We are having difficulty hearing you. Can you please speak right into the phone so that we can hear you?

Ms. Donna Marx: Yes. Thanks. Cheap phone, unfortunately. Okay.

Mincome—M-I-N-C-O-M-E: Our dear friend Art Eggleton has written an awfully good article, "Three ways to end poverty in Canada," so people aren't living just paycheque to paycheque. As he says, it's not necessarily going to make the good life, but people can afford to go to a dentist and maybe stay in their home, things like that.

"‘Mincome’ demonstrated reduction in health care costs and higher school" graduations in Manitoba. It starts with a capital: M-I-N-C-O-M-E.

Transitional costs: "We don't need to spend more money, we need to invest smarter, more efficiently and effectively." Absolutely. No tax savings—zero tolerance for that scrap.

Alcohol: It has to have a skull and crossbones—let's be honest—on the bottle. I don't think we were intended to really get into that. Prohibition was right; we're wrong. Let's face it. It should be any more than one or two bottles of ale, the beer, with the X number of—thank God we're not going to get the marijuana junk, because it won't work, and even the lawyers will be too tired to deal with it. It's too boring. It just mood- and mind-alters people—foolishness.

I think you have to study anything Art Eggleton says, because he's on the ball, and he knows what he's talking about. Income inequality hurts us all, and it's really too bad.

I got widowed three times, husbands on jobs, and they got injured on the job. Compensation makes mistakes, so I didn't get any compensation. I've had to leave homes twice—once in Eramosa in the country and up at Mount Forest, furnished and freshly painted—to find another job in the city. We don't treat the widows and the orphans properly here. Now there isn't a \$300 stipend apparently through social services even for them to move.

If you're kind, and you take a person in who has been injured, victims' services sends a cheque to the injured person, who is oftentimes a person with an addiction, instead of the person who has looked after them for five months. There are lots of things that need changing.

City hall here in Guelph—if you try to speak with them, it's almost impossible. I'm hoping it's going to get better. I went to a prayer group, and they said, "Forgive them, and ask God to give them wisdom." God bless you for all you're doing. Cheerio.

The Chair (Ms. Soo Wong): Okay. I guess Ms. Marx finished her presentation.

FUTURPRENEUR CANADA

The Chair (Ms. Soo Wong): Moving forward, I believe there is a request: Futurpreneur Canada—am I correct, Mr. Clerk?—wants to come present earlier than 4:15. So can I have Julia Deans, the chief executive officer, come forward.

Welcome. Good afternoon, Ms. Deans. Can you please identify yourself for Hansard? You have 10 minutes for your presentation. I'm going to go back to the government side to let them ask you the questions—a 10-minute presentation and five minutes for the government side to ask you questions. Thank you very much. Welcome.

Ms. Julia Deans: Thank you, Madam Chair, and good afternoon, members. My name is Julia Deans, and I am the chief executive officer of Futurpreneur Canada, which was formerly the Canadian Youth Business Foundation. I'm very grateful for the opportunity to appear before you today.

Some of you who have known us in the past from other appearances may recognize that we have a new name. We became Futurpreneur Canada last May in order to better speak to young people who we help. We have received very positive feedback about our new name, and I hope that you like it, too.

For those of you who aren't familiar with Futurpreneur Canada, we were created in 1996, and we are the only national not-for-profit organization that provides business coaching, collateral-free loans, mentors, networks and other key resources to help 18- to 39-year-olds launch and sustain successful businesses.

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We have a proven record of advancing economic growth. To date, we've invested in 6,600 Canadian entrepreneurs and engaged 3,000 volunteer-mentors to help them. Their businesses have created 26,000 jobs and \$191 million in tax revenue. The neat thing is, their businesses endure. The five-year survival rate for a Futurpreneur business is somewhere between 50% and 60%. That's much better than the less-than-50% average success rate for a normal start-up, especially when you consider that these are young people with no assets.

In addition, almost 90% of Futurpreneurs pay back their loans. This tells us that even if they're not in the business—after five years, they've sold it, closed it and gone on to do something else—they have the financial wherewithal to repay a loan. We can recycle their repayments into loans to more young people.

Of course, as a not-for-profit, we can't help young people create businesses and jobs without partners like

the government of Ontario, and we're pleased that we've partnered in the past. In 2012, we received \$4 million, over two years, to expand our capacity to help more young people launch businesses in this province. We've surpassed our goal and helped 402 young Ontarians launch new businesses.

Although our funding was not renewed last year, we have continued to meet the growing demand for our offerings here in Ontario. We're on track to help over 50% more young people this fiscal year. As of today, we've helped 252 young Ontario entrepreneurs, and we expect to hit 305 by March 31. It's amazing momentum, but we can't sustain it without provincial support.

We acknowledge and really appreciate the province's recent efforts to better support entrepreneurs, and we were pleased to be part of the Ontario Network of Entrepreneurs advisory committee. The province's youth entrepreneurship fund has been a helpful increased focus on youth entrepreneurs. As the Ministry of Economic Development, Employment and Infrastructure reviews these programs, we're going to be encouraging the government and the province to look at reinvesting in a partnership with us at Futurpreneur Canada.

We have a solid track record of delivering successful businesses in Ontario. We're highly efficient, and we are able to leverage a very extensive network of trained mentors and substantial federal and private sector dollars for the benefit of Ontario.

I've already mentioned our track record. This year, we'll help a thousand young people launch businesses in Canada, 31% of them here in Ontario. As well as being effective, we're efficient. About 85% of our funding goes straight into front-line programs and services for young people, and our admin costs are below 7%.

In terms of bringing more funding to the province, Ontario benefits from the federal government's investment in Futurpreneur Canada—about \$2 million this year alone. Without some provincial contribution, however, we will have to reallocate some of this investment to other provinces.

We are also close to finalizing a really exciting agreement to secure all of our loan capital from the private sector. This would mean that by supporting our programs for young people, Ontario will leverage millions of dollars more of private sector funding, which is really powerful.

It makes good fiscal and economic sense to invest in programs like ours that deliver results and are good value for money.

We will also be a useful ally in dealing with two very significant challenges facing the province. One is youth unemployment, and the other is the impending tsunami of retiring small business owners.

Ontario's youth unemployment rate is currently at about 16%. This is demoralizing for young people, and the costs are absolutely staggering. TD Economics has told us that for Canada we should expect almost, I think, \$10.7 billion in earnings lost due to youth unemployment.

Looking at retiring small business owners, CIBC and the Canadian Federation of Independent Business have told us that economies like ours are also at risk because of that. A recent CFIB study found that 66% of small business owners intend to retire by 2016 and very few of them have transition plans in place. The loss of small businesses will negatively affect local economies, especially in small, rural and northern communities. It's obviously prudent for the government to find ways to fill this gap, and young entrepreneurs are an ideal solution. With your support, we would like to help young entrepreneurs take over the businesses of those who are retiring, but also engage retiring business owners to act as their mentors.

In the coming budget, we are going to be requesting \$500,000 over two years to take action on this. With this support, we will execute a community engagement strategy that will see us collaborating with business organizations such as the local chambers of commerce, CFIB, BIAs, AMO and others to agree on how best to connect business owners with young entrepreneurs and get on with it.

We will also conduct grassroots community outreach to existing business owners in select communities that we think have high potential, and we will recruit existing small business owners to be mentors. We believe that this pilot initiative, which could be expanded over time, will position Ontario to respond effectively to the impending retirement of small business owners and also address the youth unemployment challenge, particularly in small communities. You probably know better than me that all of us in Ontario want vibrant and economically sustainable communities in which to live and raise our families, but we also want our young people to have jobs and other opportunities to stay in our communities, and this pilot initiative could help make that happen.

Before we close, I'd like to thank Madame Lalonde for speaking at our Action Entrepreneurship round table yesterday in Toronto. We had over 100 young entrepreneurs and business, academic, government and non-profit leaders, and we came together to explore ways to help young entrepreneurs grow their businesses within the province, across the country and globally. Many of them spoke to the importance of Futurpreneur Canada in helping them to launch and sustain their businesses, and they gave us and each other a lot of motivation to think about growth and how they can get there.

We encourage you to participate in our Ottawa round table next Tuesday morning if any of you are going to be in town then, and I'd like to invite you all to attend our national summit in May in Toronto, when we'll have entrepreneurs from across the country with people like you problem-solving for the growth issue. We respectfully request all of your support so that Futurpreneur can continue helping young entrepreneurs in Ontario to achieve their dreams of launching their own businesses, and I thank you again for having me here today.

The Chair (Ms. Soo Wong): Ms. Deans, can you leave your remarks with the Clerk, because I know that

none of us in the committee have a copy. If you could do that, that would be really great.

Ms. Julia Deans: Yes.

The Chair (Ms. Soo Wong): This round of questions is from the government side. Mrs. Lalonde, would you like to begin the questioning?

Mrs. Marie-France Lalonde: Yes, I will. First of all, I would like to say that it was an honour to be present yesterday. It was great. I also want to make a point of commending your leadership and your vision. Futurpreneur was refreshing. It was nice to be there. From a previous business owner's perspective, it was a very insightful meeting for me to hear both sides of the situation. Congratulations.

One important thing that I think we've talked about, something very dear to my heart, is the youth unemployment rate. As a previous business owner, I used to employ first-time youth in terms of coming to the job, and I know that it's not always possible for every employer to consider. I want to know: From your perspective, what role should the government play to eliminate or combat youth unemployment and help spur that aspect? Where should we go next?

Ms. Julia Deans: We know from our Action Entrepreneurship round tables last year that we're looking—for kids coming up through school, they need education around financial literacy and opportunities to see and experience entrepreneurship and gather those skills. That's something very much within the purview of the Ontario government—not so much for us.

Once people are looking at what they might do, helping to promote entrepreneurship as a viable career option is huge. You're an entrepreneur, but there are many people who aren't and think it's about the last thing their kids should do. By promoting entrepreneurship and the opportunity to create a business and create jobs for others, we will see more people become entrepreneurs. I think that's why we're quite keen to keep up momentum.

The more stories we can tell of people like Armen Bakirtzian from Waterloo, who created a new way to do hip joint replacement therapy and commercialized it—it's now being used in every hip replacement operation at Mount Sinai and is being used in the US. He was one of our young entrepreneurs—huge!—and every time Armen speaks to a group you just know that there are a good number in that group who are thinking, "Maybe I can take my idea and do it as well." We think that the momentum is there. We're seeing a huge amount of demand, and we would like to keep making that demand higher.

Mrs. Marie-France Lalonde: Just to make sure: Your ask today is \$500,000 over two years. I don't know how much time we have, but it's very limited time. Would you maybe explain to the committee where that money would be spent and how this money would be spent?

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Ms. Julia Deans: Yes. Longer term, we'd like to renew our partnership around actually helping start-ups,

writ large, but this is what we'd like to do for the next couple of years. We would be partnering with all of the organizations that connect with small business owners, as well as with our networks of people who work with young entrepreneurs, to figure out how we can bring the two together. So we have a mentoring program. If we can get retiring business owners to be thinking about their transition plans, we can engage them as mentors, we can connect them with our partners who can help them with their transition planning, and we can be promoting the opportunity to take over those businesses with the young entrepreneurs. So it's very elaborate matchmaking, if you will, but it's not happening now and there are far too many business owners who think, "I can sell my business tomorrow and walk away," and they can't; instead, they close the business. You all know what will happen if the grocery store, the dry cleaner and the gas station close in small communities: The small communities will end up closing as well.

Mrs. Marie-France Lalonde: Would the primary investment be, and I know we're talking about youth, that you would reach out to certain entrepreneurs in our youth to be that person where those businesses that potentially would close would have a successful plan?

Ms. Julia Deans: Yes. So we would partner with the organizations that connect with the small business owners, like the chambers of commerce, and we partner with them already. From our end, we would bring young people who are interested in entrepreneurship, and we would matchmake. We would do seminars on both sides. We would match interested small business owners with young people who are looking for opportunities in their communities, and we would broker the relationship and provide the funding that would allow them to transition their businesses to young people.

Mrs. Marie-France Lalonde: Very nice.

Ms. Julia Deans: We've done this a little bit in Alberta, and it's extremely powerful. For the business owners, it's the first time they've actually thought about their transition plan and realized that they can be part of transitioning. Young people often think they have to start from scratch, and they don't. As you can imagine, it's much better to buy a business that already has a cash flow and just improve it and make it a bigger, better business. That's really—

The Chair (Ms. Soo Wong): Ms. Deans, thank you very much for your presentation, and if you could leave your presentation with the Clerk, that would be great.

ONTARIO MEDICAL ASSOCIATION

The Chair (Ms. Soo Wong): I believe the next group coming before us is the Ontario Medical Association: Dr. Gail Beck, secretary and board director. Dr. Beck, welcome.

Dr. Gail Beck: Thank you.

The Chair (Ms. Soo Wong): Can you please identify yourself for Hansard? You have 10 minutes to present. This round of questions will be from the official opposition party. Welcome.

Dr. Gail Beck: Thank you very much. Good afternoon and thank you for the introduction. My name is Dr. Gail Beck. I'm a psychiatrist in Ottawa, and I've been practising for nearly 25 years. I'm the director of youth outpatient and outreach psychiatry at the Royal, and I'm also on staff at the Children's Hospital of Eastern Ontario.

In addition, I represent the Medical Women's International Association at the United Nations Commission on the Status of Women and at the World Health Assembly. This past year, I had the honour to serve Canada as a delegate to the World Health Assembly.

I'm also a director at the board of the Ontario Medical Association, and I am, at present, on the executive committee of the board.

Today, I'm here to talk about the importance of a well-funded, sustainable health care system in Ontario, and I want to talk as well about some circumstances in Ottawa and reasons that it's very important.

I do want to call on the Ministry of Finance and the government of Ontario to adequately fund our health care system, a system that's facing pressures from growth in patient numbers as well as in need.

I'm sure many of you know that, following months of negotiations, last Thursday, the government of Ontario gave the Ontario Medical Association a "take it or leave it" offer. They threatened that if we did not agree to the cuts they are making, they would move ahead without us and cut even deeper. We had no options but to say no to this agreement, and I'm going to tell you why. And the government does plan to cut even deeper into the care that physicians provide in Ontario. In our view, that's not a partnership. We feel this decision is critical to understand, and that there are elements of it that you will understand but that are complex in many ways.

We also want to emphasize that one of the building blocks of a healthy economy is a healthy health care system.

So you do have two small handouts that you will receive. One shows the care that's provided by Ontario physicians to Ontario patients every day. The other shows the impact on the economy that Ontario physicians have, just in terms of the investment that we make into the economy, which is part of the overhead costs that the government, for the moment, is denying.

By the Ministry of Health's own estimates, the demand for medical care will grow by at least 2.7% every year, and that's \$307 million. Those increases are due to population growth—new babies born in Ontario, families who move to Ontario to get a better life—as well as an aging population that needs more complex care—10 years ago, my uncle didn't need a hip replacement, but now he needs one—and the need for new doctors to treat existing patients.

In 10 years, the government of Ontario has doubled the number of doctors graduating in Ontario to meet the unmet needs. I have had two members of provincial Parliament tell me in the last month that they used to have, in this region, people saying that they couldn't find

a doctor and that that worry has stopped. That's because the government of Ontario worked with us to increase the number of new doctors. Not only has that stopped, but new family doctors will no longer be funded.

Looking back over the past five years, growth for medical services has increased by this average of 3% annually—and we do treat the patients we need to treat. Every year, 140,000 new patients come into the system. Here in Ottawa, home to about 1.3 million people, which is 9.5% of the population, our population grows by 12,500 people every year, and so we need more physicians and more services to treat these people. We are still home to 89,000 unattached patients, patients without a family doctor. That number increases to 97,000 when you include the entire LHIN.

Under the proposed contract, doctors will be penalized if they see more patients.

As well, family doctors are being hit inordinately. We estimate the costs to a new family doctor will represent a 30% decrease in their income. In fact, within the city of Ottawa, there will be no spots for a new family physician.

I want to talk about my own specialty. A number of you will know that in November 2010, Daron Richardson took her own life. Since that time, we have seen an increase—what we initially called a surge—in psychiatric referrals. My colleagues at CHEO, pediatricians in emergency, psychiatrists who work with me there—we have met the demand for increased services, working overnight when that was not required previously. We've increased consults. I used to have an average of one or two new consults a week; I'm now doing somewhere between four or six. Now, as we meet that demand, we're going to feel guilty, because there will be no money for new physician service, so I will know that every extra patient I see will eventually mean that my colleagues do not get paid, because there will be a clawback on the work that we do.

Recent physician services agreements in British Columbia and Alberta demonstrate how those governments accounted for the changing needs of their population—the growth and the changing medical care.

Ontario's doctors offered the government a two-year freeze on our fees. Dr. Tandan made that offer. That offer stands today. This means no increase in our fees, from a standard assessment that your doctor might do, to the most complicated surgery. All that we're asking is that the government accept its responsibility to fund new doctors, to treat the patients we have today, and to provide the care for those patients who are going to be born tomorrow or who are going to move into the province tomorrow.

In 2012, we accepted a 5% cut, and in so doing, we helped save \$850 million in the system. We did this because we could make cuts in places that would have a minimal impact on patients. Now, less than three years later, the government is asking us for another 4% cut in medical services. We feel this is an unsustainable pattern. Moreover, we feel that there is often the mistake made

that OHIP billings are calculated before expenses, and so I wanted to show you that in one of the handouts I've provided.

These cuts are real. We feel that the government has taken a turn in the wrong direction.

As I've said, I'm most upset that these cuts are happening in family medicine. As a psychiatrist, I depend on family doctors to provide the medical care my patients need, and I'm not sure how I'm going to manage when we find out that more and more of our patients are not able to transfer from their pediatrician to a family physician.

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I hope my message is clear. The OMA wants the government of Ontario to fulfill its obligation and responsibility to Ontarians to fund the unmet needs of our current population and to fund new patients for the care that they require. We believe that the patients of Ontario deserve this.

I am happy to take any questions that you might have.

The Chair (Ms. Soo Wong): Thank you very much, Dr. Beck.

Mr. McNaughton, I think you will begin the questions.

Mr. Monte McNaughton: Great. Thank you very much. That was a very interesting presentation. I just wondered if you could tell the committee the consultation process that happened between the OMA and the government over the last number of months. You alluded in the beginning that, essentially—I'm assuming the consultation ended, and then they just sort of gave a threat to the doctors.

Dr. Gail Beck: It was actually a negotiation. The government of Ontario and the doctors of Ontario have been meeting in negotiation since January of last year. It's a very involved, well-established process.

When there wasn't any progress after a period of 120 days of negotiations, a facilitator was brought in, Dr. David Naylor, who provided a confidential report to the parties.

Subsequently, a conciliator, the Honourable Mr. Justice Winkler, was brought in. Those are people we chose between the parties, so both sides agreed. Justice Winkler did tender a report. Our view is that not all of the aspects of Justice Winkler's report were offered back to the Ontario Medical Association. In addition, the government didn't pay attention to the fact that Justice Winkler did say in his report that the current system is unsustainable. That is what's most important to us.

Mr. Monte McNaughton: So since we're obviously going into budget season, and the government will present a budget at some point, where does the OMA recommend that the money come from?

Dr. Gail Beck: We have worked with the government to find cuts within doctors' fees in ways that will not affect patients. There are always some ways that we can do that. We have offered to continue that process. We still have the means in place to continue that process. We feel that's one way that the system can be contained.

We've also offered some ideas in terms of system savings. There are always some ways that the system can

save money. We did have in place, after the last agreement, a bilateral committee that looked at savings within the system. It included, for example, the elimination or reduction of some pre-operative tests that weren't considered necessarily to be valuable. It did include some efficiencies in the schedule of benefits for tests that were not necessarily of significant value. We made savings there as well as with the cuts that were imposed.

Mr. Monte McNaughton: You alluded to that—I'm assuming—back when the family health teams were created a number of years ago, you were at the table with the government. They worked in partnership with you to get those off the ground—

Dr. Gail Beck: In fact, in terms of both the family health teams and the family health organizations, this plan originally did come from the government of the day. That's because these primary care teams are felt to be the best way to treat patients. They're efficient, they're effective, they offer a multitude of services, and they're proven around the world to be effective. Now we see the government about to dismantle a system that is only just beginning to show its value in Ontario.

Mr. Monte McNaughton: Just one further question: We found out today, at least in the opposition, that there's going to be legislation introduced to force the government to disclose the names of physicians who bill the province's health insurance system, and the amounts they charge. What is the OMA's opinion on that?

Dr. Gail Beck: We feel that parts of that may not be as honest as they are. That's one of the reasons I handed around a reminder that 30% of physicians' payments actually go to their overhead. And it's important to look at one of those that outlines that 96,000 jobs in this province are created by physicians, each of whom employs approximately four people. We're small business people, and we feel we add to the economy.

Mr. Monte McNaughton: Great. Thank you very much.

The Chair (Ms. Soo Wong): One minute left.

Mr. Victor Fedeli: Thank you very much.

In the last couple of days we learned about doctor shortages. When we were in Sudbury we learned of 15,000 or so patients there without a doctor. In my hometown of North Bay, because of the recent death of one doctor and the retirement of two others, we have 12,000 orphaned patients. What are your thoughts in terms of doctor recruitment and doctor training, if you can just wrap that side of it up.

Dr. Gail Beck: Each year in Ontario, approximately 600 family physicians graduate. Under the system that the government is imposing, 20 family physicians per month will be allowed to enter an enrolled model. So that's 240 of those doctors over the course of a year, but they're not going to get a job right away and they're not going to get jobs in some urban areas.

I imagine that parts of the north will be included among underserved areas, because the 20 that are left are only for underserved areas. We know that, first of all, a lot of our new young doctors are really well trained.

They've been educated in Ontario. They're not going to get jobs.

The Chair (Ms. Soo Wong): Thank you, Dr. Beck. Thank you for your presentation. Thank you for your submission.

CANADIAN ASSOCIATION OF PHYSICIAN ASSISTANTS

The Chair (Ms. Soo Wong): I think the next presenter is supposed to be Ian Lee. Is Ian here? No. Okay.

I'm going to go to the next presenter, the Canadian Association of Physician Assistants. Are they present? Okay. Gentlemen, welcome. Can you please identify yourselves for Hansard? You have 10 minutes for your presentation and this round of questioning will be coming from the third party. Welcome.

Mr. Chris Rhule: Thank you very much for having us here. My name is Chris Rhule. I'm the president of the Canadian Association of Physician Assistants. This is Patrick Nelson, who is our executive director.

I'd like to start by just giving some history behind the PA profession, and CAPA as well, since it's relatively unknown in some circles of the population since we are a new and emerging profession within the health care landscape.

I, myself, was the first PA who was licensed to practice in Canada, and that was in Winnipeg, Manitoba, back in 2003. I've got over a decade of experience developing the profession in Manitoba as well as nationally. I now currently hold the role of president with the Canadian Association of Physician Assistants.

CAPA was formed with the assistance of the Canadian Armed Forces back in 1999, and in 2001, CAPA and the Canadian Armed Forces developed what was the occupational competency profile for civilian PAs. That was done through work with the Royal College of Physicians and Surgeons of Canada, as well as the CMA, and established the practice standards for physician assistants nationally. In 2005, CAPA's arm that deals with credentialing and the certification of physician assistants developed and implemented the first entry to practice certification examination, and has been offering that examination yearly since that time.

Some history of PAs: PAs have actually been around in the Canadian military for many, many years. They've been a vital component to health care services provided to our armed forces at home and abroad for over 70 years now. In the civilian context, it's been much more recent. As I said, I was the first one licensed in 2003 in Manitoba. Ontario started a pilot project introducing PAs in 2006, so it is very recent.

There's a strong US history that the Canadian PA profession has fallen on to try and learn from some of their mistakes and to help with the implementation of the profession in the country, and that was definitely a huge reason why we were able to evolve so successfully and quickly. In the United States, they have over 40 years of

experience and currently have over 100,000 practising PAs.

Just to give you an overview of the PA education and scope of practice, there are currently four PA educational programs in the country, three of which are here in Ontario. Two are civilian programs, one at McMaster University and one at the consortium of the University of Toronto, the Michener Institute and the Northern Ontario School of Medicine. There's also the Canadian Armed Forces' educational program, which is in Borden, Ontario.

PAs are educated in the medical model, in a very similar fashion to physicians. The programs are two to two and a half years in duration and cover the breadth of medicine, very similar to what the medical programs are, but the depth is obviously a little bit different since we're doing this in half the time, and we don't have a residency requirement after graduation from the program. Our core competencies and the core structure of the curriculum are very similar to medical school.

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PAs offer an extension of the physician and can share in their scope of practice through basically a negotiated autonomy between the PA and the physician, based on the PA's experience set, knowledge and level of experience. That can in fact allow the PAs to practise up to the scope of practice of their supervising physician.

I don't often like to look south of the border for any kinds of comparisons or context when it comes to health care, because we all know some of the problems that exist down there. However, sometimes there are some really beneficial points that you can ascertain from the US system.

Down there, like I said, there are over 100,000 practising PAs. Now, with the introduction of Obamacare, the utilization over many decades through the VA health system, and, over the last several decades, the evolution of HMOs in the country, it has proven to be a great model for the growth of the PA profession. These models are looking significantly at the financial impact—obviously, because they're run as businesses—as well as the government aspect, where the funding constraints are very similar on health care. PAs have been able to flourish in that environment because of their productivity, effectiveness and cost benefits to the system, as well as quality of care.

The physician assistants in the US are the fastest-growing segment of medical providers. Their expected growth is 50,000 to 70,000 PAs between 2013 and 2020. That's hugely significant. It obviously shows you that this is in a fiscally driven and litigious environment down there, and they're being extremely successful. You can relate that back into the Canadian context, where we're under very similar financial constraints. If it's successful down there, it should be successful here.

In Canada, there are 450 currently practising PAs, 250 of which are in Ontario. PAs work in all areas in the continuum of the life cycle and practise virtually in all areas of medicine and surgery. PAs have proven to be an

invaluable resource to patients, families and the health care system. They have fostered much practice innovation in multiple settings and have contributed to inter-professional collaborative practice models, which provide better quality of care as well as improved wait time access.

We recently undertook a Nanos poll which was looking at the knowledge and acceptance of physician assistants in the civilian sector amongst Canadians. Amongst Canadians who received care, more than nine in 10 were satisfied with the experience of a physician assistant looking after them. More than eight in 10 Canadians are comfortable receiving primary care from a PA under physician supervision, and more than eight in 10 Canadians support a greater role for PAs in the health system.

In Ontario, there are 900,000 Ontarians who do not have access to primary care providers. The median wait time in 2013 hit 18.2 weeks, which was three days longer than in 2012 and much longer than 20 years ago, when it was 9.3 weeks. Canadians across the country, in all provinces, are waiting much longer for procedures, and that continues to rise yearly.

It is expected that by 2036, a quarter of the Canadian population will be over 65, double the proportion of what we have today. With that anticipated influx into the health care system and the financial burden that that's going to put on the system, I think that physician assistants offer a wonderful alternative and an additional care provider into that practice mix that's going to be required in the future. If we're short now, you can imagine what we're going to look like in 10 years. All providers are going to be necessary.

PAs have already demonstrated many benefits to patients and to the system. Some data that I can share with you is that PAs have reduced waiting times in EDs—emergency departments—by half, and improved wait times in orthopedic settings by 42%. Some 95% of Ontario physicians working with PAs said that the PA increased their own efficiency in providing patient care.

Studies have also found that 30-day readmission rates were reduced by 25% in patients receiving visits from PAs as part of a home care program. PAs in long-term-care settings have also been shown to decrease hospital admission rates by 38% and decrease unnecessary ER visits by 50% to 80%. As you can imagine, these are huge implications to resources in the health care system that can be impacted with significant cost savings that would more than pay for the implementation of physician assistants into these settings.

If you look west of Ontario, there has been implementation of physician assistants into large percentage into mental health. In Manitoba, in Winnipeg, they use them in the crisis response centre as the initial providers that see people in mental health crisis and triage them and get them to mental health care much quicker and effectively than previously was available. Also, in primary care, there's an implementation pilot project there that demonstrated significant benefits to patients by increasing attachment to physicians so that more patients were able

to have a primary care provider. Also, the success of patient satisfaction and provider satisfaction as well as allied health satisfaction with working with PAs was increased as well.

They reduced the length of stay in hospital settings in these primary care settings when they used PAs in family practice, hospital-based settings. They were able to increase the throughput in these practices, which therefore decreased the length of stay and obviously reflected in lower health care dollars on those patients' stays.

Some 96% of patients in Ontario were satisfied with the level of care provided by the PAs and 83% supported a greater role of PAs in the health system. Of that, the seniors, or the 60-plus segment of the population, were the biggest supporters, with about 88% supporting the PA role. So that's significant.

The value that PAs provide working alongside physicians and other health care professionals is that they decrease the wait times; improve access to care for Ontarians; enhance the quality of care being provided to patients; and are a cost-effective solution to health team resource challenges in Ontario as well.

What we at CAPA are asking you as the Ontario government is to invest more in PAs. If we were able to get you to introduce 40 new positions per year of Ontario graduates into the following areas, which are strategically matching the mandate letter to the Minister of Health from the Premier—in mental health, long-term care, primary care and home care—I think the addition of PAs into these health care settings would have dramatic and significant financial impacts as well as impacts on quality of care and patient satisfaction. The cost of 40 new positions to the system would equate to roughly \$3 million to \$3.5 million.

I'd like to thank you very much for the opportunity to talk to you.

The Chair (Ms. Soo Wong): Thank you very much. This round of questions is from Ms. Fife, from the third party.

Ms. Catherine Fife: Thank you, Patrick and Chris, for coming in today to share your feedback about PAs. It's true: Health care is the dominant issue at every place. It's around resource allocation and the lack of doctors, which is a consistent theme. The government is looking for options and affordable alternatives. This is a very well-researched paper as well, which I'll share with our health critic.

You cite in the paper, though, that there's a "lack of clear funding models. Some PAs are funded through the ministry-led career start funding program for new" grads. There's also some funding attached to family health teams.

There needs to be clarity and obviously an education about the role of PAs as a supplementary and affordable alternative. What is the best way to fund the money to justify the \$3.5 million in ask of the finance committee?

Mr. Patrick Nelson: There are a few questions in there. I think the first thing is to acknowledge that the government of Ontario was one of the leaders in introducing PAs into Canada and into Ontario, obviously.

With it, I think they've tried various funding models, and some have worked. The funding in capitated models in family health teams etc. is working very, very well. Where there needs to be some improvement is in fee-for-service-based compensation models. That's what we're referring to there.

Ms. Catherine Fife: Okay.

Mr. Patrick Nelson: We haven't quite figured out the path in Ontario and in Canada, in fact, where the incentives are good enough that the physician is benefiting as well as the PA is benefiting. In the US, for example, insurance companies take great advantage of the model because they see the benefit in allowing the physician to bill when a PA provides the service because they can pay the physician at a discounted rate. In Ontario, we don't let physicians bill when they haven't directly provided the service.

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Ms. Catherine Fife: Okay, so you're looking for an incentive, then, for doctors to pull a PA into the family health team?

Mr. Patrick Nelson: Right. When you don't let the physician bill for the service that the PA has provided, which is in fact how the delegated model works, there's not a great value to the physician to have the PA in the practice.

There's a great value when it comes to the patient and to improving access. Where we get a little sticky is on the funding model in those areas. We think that we can find a way where the patient will benefit, the physician will benefit, the PA will benefit and, in particular, the government will benefit from reduced costs. We just have to find a venue to begin that conversation.

Ms. Catherine Fife: So if Manitoba started this process—they were a leader—have they figured out the billing process? So it remains an issue?

Mr. Patrick Nelson: All of the other provinces have chosen a very direct path to just pay the salary of the PA regardless of where they practise and what model they practise in. In Ontario, we have done really well on the capitated side, but we haven't figured out the fee—

Ms. Catherine Fife: What is the average salary, then? The average doctor in the province of Ontario bills about \$350,000. What is the average salary of a PA?

Mr. Patrick Nelson: About \$75,000 to \$90,000, I think, is what we're looking at.

Ms. Catherine Fife: Okay, that's good. That's good to know. It sounds like it's a work in process, but if you make a strong economic case for it, our responsibility is to take it back. Thank you very much.

Mr. Patrick Nelson: Thank you.

The Chair (Ms. Soo Wong): Gentlemen, thank you very much for your presentation.

MR. IAN LEE

The Chair (Ms. Soo Wong): I am just checking: Ian Lee is here? Okay. Mr. Lee, welcome. I know you're trying to set up the technology piece. I just want to do

some housekeeping. You have 10 minutes for your presentation and five minutes for questioning from the government side, because we rotate the questioning.

Please, when you're ready to begin, identify yourself and what organization you represent. That would be really helpful for Hansard.

Mr. Ian Lee: Okay. Thank you for inviting me. I have a PowerPoint presentation. I've just been running around, and I'm teaching classes, so I will provide these to the Clerk of the committee after today. I'm not hiding these. These are public slides, and I have no problem with that.

My name is Ian Lee. I'm a professor in the Sprott School of Business at Carleton University. I've been there for 27 years as a tenured professor.

I do want to run through some disclosures, which I believe are very important. I do not consult to anyone or anything anywhere on the planet Earth or other than the planet Earth. I don't consult to corporations or unions or NGOs or persons or governments or any agency directly or indirectly, nor do I own any financial assets of any kind anywhere in the world other than my home in Ottawa and my five-year-old Honda. I have no other assets. I am not beholden to anybody, which is why I can speak truth to power, because nobody can fire me, because I'm tenured. I'm being very frank.

I only source in my research and in my classes what I have defined to my students and myself and to media as authoritative, reliable data, which I define as data from OECD, IMF, the International Energy Agency, World Trade Organization, UNCTAD and similar agencies, and source data from OECD government departments, whether it's federal or provincial, US government or state, and any country in Europe—so StatsCan, US Bureau of Labor Statistics, Bureau of Transportation Statistics etc., etc. I don't use NGO or union data because they are policy advocates, in my view, and I think that's pretty clear.

What I want to do is just run through these slides very quickly, and of course I'll be very pleased to take questions.

I have attended several pension conferences, including one in late November at the University of Toronto, organized by Lancaster House. I took the position that there is absolutely no justification for the Ontario pension plan, and I'm going to explain why, empirically and factually.

I've also published 43 op-eds, which are on my website at Carleton, and five of them were in the *Globe and Mail* on this issue, one with Chancellor Professor Vijay Jog and another with Philip Cross, a retired assistant deputy minister at StatsCan.

Professor Vijay Jog—who has co-authored with Jack Mintz—and I are writing another article for publication this summer on the reforms proposed to the Canada Pension Plan as well as the Ontario pension plan.

I just want to open with this quote, because it explains to you where I'm coming from. I did attend the conference last December, here in Ottawa at the Château Laurier, organized by the University of Calgary, where

Jack Mintz spoke. There were a whole bunch of people there, and I'll be quoting them in a moment. Kevin Milligan was there as well.

Jack Mintz has done research on this, as we all know, and so has Kevin Milligan and others, and what they've shown is that the bottom two fifths of the population are already looked after under our mixed pension plan system. That is why we have the third-lowest level of elder poverty in the OECD, which I define as "in the world," because the OECD countries are the wealthiest in the world. This was not always so, but from the 1960s until now, we've solved it.

What I'm arguing, and certainly what the data is arguing—and Erin Weir is arguing this, and Janice MacKinnon, the former NDP finance minister, made the same argument at the conference last December—is that the pension problem, such as it is, is in the top three fifths of the population of those who don't have company pension plans, and then they find that they're dropping from \$100,000 or \$150,000 down to \$40,000 or \$50,000—well above the poverty line but still a very substantial decline in income. She posed a very trenchant question at that conference: Is it the role of government to address the problems of the upper middle class? I obviously don't think it should, and she doesn't think that's the role of government.

This is the graph of OECD pensions at a glance, and we're showing that Canada is at 7.5%. I have another, fuller graph as well that I'll also be adding back into this presentation when I provide it to the committee.

Right now, elder poverty in this country is—this is the whole country, not just Ontario—7.5% of seniors are below the poverty line. There is a solution for that. It was proposed by Jack Mintz this January in a working paper. He said we could eliminate elder poverty almost overnight by simply providing 100% survivor benefits to those elder women. Elder poverty today is overwhelmingly very elder women, women in their 80s and 90s, like my late mother, who did not work outside the home, who didn't have her own Canada pension, and so when her husband died, her CPP went to half—the survivor benefit. Jack Mintz said, "Look, let's give 100% to those people who don't have their own CPP, and top up the GIS." This, or a variation, was also proposed by the late Jack Layton in the last election. So we have a solution for the 7.5% without gerrymandering the existing system.

For further evidence of this—and I'm a purely empirically based person—if you go to the stats, and by that I mean public stats, when you go to the total and median net worth—I know there are a lot of numbers there. I wanted to highlight it, but it wouldn't take it because it's a PDF. If you look there, seniors are the wealthiest. Halfway down, you'll see "senior families." The net worth in 2012 was \$650,000—net worth—of seniors' families. They are the wealthiest people in Canada today, on average, setting aside the 7.5% who are below the poverty line.

I show these stats to my students. My students are very poor, compared to elders today. I'm three years

away from becoming an elder myself, so the idea that I need another pension is just simply absurd.

Now I want to give you the second part of my argument. The argument has been that Canadians and Ontarians are not saving enough, and I'm going to explain to you empirically why that's wrong.

I should disclose that I worked in a bank in the 1970s and early 1980s as a loan manager, as a mortgage manager, where I lent money to a lot of people, and I reviewed their personal balance sheets every day as part of my job.

The Stats Canada household balance sheet—this is right up to the moment, the most recent hot-off-the-press, fresh; I've got the URL there. Today, Canadians—not Ontarians; Canadians—own approximately \$9.5 trillion in gross assets. These are not government assets; these are not corporate assets; these are individual. Collectively, individually, we owe \$1.7 trillion in debt, for a net worth of approximately \$8 trillion, or \$250,000 per person. Now, it's skewed toward elders, which is why we see elders with \$650,000 of net worth.

Just very quickly, very big-picture: I want to do the other one, because I did it better on a table here. Here are total assets of Canadians, total personal assets: \$9.4 trillion, to be precise. How much are in RRSPs? Some \$959 billion, just shy of \$1 trillion. How much in employer pensions? Some \$1.9 trillion. If you put those two together, the total pension assets are around about \$3 trillion out of \$9.4 trillion, or roughly one third of our assets are savings.

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The problem with the critics is they say, "Aha! That's all we've got as savings." That is not correct. We have \$9.4 trillion, minus the indebtedness, or \$8 trillion. In other words, we also have financial assets outside of pensions, \$1 trillion; we have non-financial assets—principally homes and secondary residences—of \$4.7 trillion; and we have equity in small businesses that are not incorporated—thus they're personal—of just under \$1 trillion.

All assets are savings. Any asset class can be liquidated into cash. I can sell my house tomorrow morning and I've got cash. I don't have to, but I can. Just as I can sell my equity in a business, I can liquidate my financial assets.

Very quickly, I'll give you the test of this. I walk into the bank tomorrow morning. I say, "Bank, take out \$1,000 from my bank account and buy me a Canada savings bond," and I put it in my self-administered RRSP. My pension savings go up by \$1,000. Everybody says, isn't that great? The next day, I go and buy another \$1,000 bond and I say, "Buy me a bond, but don't put it in my RRSP. I'm going to put it in my safety deposit box." "Oh, it doesn't count. It has vanished into the ether." No, it hasn't vanished into the ether.

I'll wrap up very quickly because I really want to get to the final point. I'll put these in in my supplementary to you.

The final point I want to make is why it doesn't address low-income Canadians. Every person below the

poverty line—the 20% of elders below the poverty line are getting the guaranteed income supplement. It will be clawed back \$1 for \$1 from every future Ontario pension plan dollar they get. In other words, you are not going to be benefiting the low-income seniors because they will not get one net new dollar. For every dollar they get from the Ontario pension plan, it's going to be reduced from the guaranteed income supplement, the GIS, which is paid for out of general taxation in Canada. You don't pay 1.9% of payroll to get GIS; it's out of general taxation. It's not a pension plan.

So what you're doing to low-income people is you're saying that you're going to pay 1.9% more while you're working to get the same amount of money when you retire—because it will be clawed back. That's why I say—and I've been saying this in media interviews, I've said it at conferences—the bottom quintile, the bottom 30%, actually, that's getting GIS, will not benefit \$1 because it's going to be clawed back, \$1 for \$1.

This will benefit the government of Canada. You're going to reduce the payout under GIS and transfer that payout to Ontario. That may be very generous of Ontario towards the government of Canada, but it's unnecessary.

I'll close and I'll stop because I'm sure I'm near my 10 minutes. I will provide these slides with background information on incomes and median quintile and so forth. There are a lot of background stats I've got here that are really ancillary to my overarching argument, which is that we are saving \$10 trillion, not the \$3 trillion, in pensions—\$10 trillion minus the debt—and secondly, the bottom quintiles are not going to benefit from this proposed pension because it will be clawed back from their GIS income.

The Chair (Ms. Soo Wong): Thank you very much, Professor Lee. We now turn to the government. Mr. Fraser, would you like to begin?

Mr. John Fraser: Thank you very much, Professor Lee—a very thoughtful presentation. I take your point on the GIS. It was very clear.

One of the pieces you touched on was essentially widows getting half of their income. That's a very good point. That's something that's very concerning. One of the reasons that we're where we're at right now is we believe that there should be some enhancements to the CPP—one of those things which should be—and that would be the best way to do things. In the absence of that, we have to try to be able to protect people's pensions in a way, and that's why we have the Ontario pension plan.

What are your thoughts on the Canada Pension Plan and enhancements, just to hear what your thoughts are?

Mr. Ian Lee: No, I appreciate that. I'm sure you've realized by now I do have very clear views on this, and I do have a lot of experience and I'm not trying to sell you on this.

I want to go back to my mortgage experience. I had 10 years at BMO, and they had that beautiful marble bank opposite West Block, Parliament Hill, which has been nationalized or expropriated by the government of

Canada. It's about to become the home of the finance committee, I understand. It's a gorgeous building, and I worked there many years and I have very many good memories.

Why am I telling you this story? I lent millions and millions and millions of dollars to homeowners. I mean, a \$100,000 mortgage here, a \$100,000 mortgage there; I was doing it, believe me. We were writing 50 mortgages a month out of that branch. It was the fourth-largest branch of BMO at that time before they later closed it.

I was obviously much younger; I was in my late twenties. I remember having conversations with people because even then, their RRSPs were a big product of the bank. I would say to customers, "You don't have an RRSP. Are you interested in opening up an RRSP?" They said, "No, I can't afford an RRSP and buy a house." I thought that, too. I bought my first home when I was 25 because I believed then—and I still do—in residential real estate. But I was playing almost a cat-and-mouse, devil's advocate because I wasn't trying to coach them or anything. I said, "Well, why are you choosing to buy a house?" They said, "Well, because I can live in my house for the next 30 to 40 years, and then if I need to sell my house, I can sell it and get it capital-gains-free."

Ordinary Canadians are very intelligent. They're very sophisticated. They understand these things. They may not go on Power and Politics, but they get this. They know your house is tax-free; it's the only thing in this country that's tax-free.

My point is, my argument against the enhancement of CPP is, first off, we don't need it, and the poverty statistics are proving me right. We're the third-lowest in the world, the OECD, which is the world—

Mr. John Fraser: I would argue that, as a statistic, 7.5% is high. I would say if almost one out of every 10 seniors is living in poverty, how many seniors are living just above that poverty line?

Numbers are important, and that's why I really appreciate your presentation, but there's always another ledger sheet, and that ledger is people's lives. As legislators, we see the budget, but the one that's really hard to see is to look into people's lives and see how what we're doing is affecting them.

Mr. Ian Lee: First off, I've already said that I strongly support what Jack Mintz proposed. I don't know if the Prime Minister does. I've never met him; I don't have personal conversations—I'm not a partisan. I think that eliminating the income dropping to one half for a widow or widower who had no CPP of their own right—keeping them at 100% survivor benefits and topping up the GIS—is the only way to go. He estimated it would cost less than \$5 billion annually. For \$5 billion, we could eliminate elder poverty in this country. We have a 7.5% elder poverty problem. I don't believe we have a general CPP problem or an Ontario pension plan problem.

I'm answering your question, though, because you asked. Here's my reason why: You could say, "So what? So what if we top it up?" My concern is that we're going

to restrict and reduce the ability of people to buy homes. I'll put my cards on the table: I think the most important investment is not RSPs. I don't think it's the Ontario pension plan. I think it's scraping enough down payment when you're young—like I did and millions of other Canadians did—to buy a house and to struggle in the early years while it goes up in value and you pay down the debt in value. That's what we should be protecting and encouraging: home ownership.

The Chair (Ms. Soo Wong): Okay, I believe—

Mr. John Fraser: Just one quick thing I would argue very quickly: Someone might have said that about the CPP 30 years ago or 40 years ago.

Mr. Ian Lee: No, because my late mother, who lived until 91—she died only three years ago—reminded me that until CPP, OAS and GIS, poverty was an elder problem in this country. Massive numbers of elders were in poverty—massive numbers. We do not have massive elder poverty today. That is not true. We have an elder-elder-female poverty problem which can be addressed though targeting.

Mr. John Fraser: Thank you very much.

The Chair (Ms. Soo Wong): Okay, I believe Ms. Vernile has a question. Ms. Vernile, you want to ask a quick question?

Ms. Daiene Vernile: How much time do we have?

The Chair (Ms. Soo Wong): One minute.

Ms. Daiene Vernile: I'll make it quick. I want to share something with you—

Mr. Ian Lee: I can speak quickly.

Ms. Daiene Vernile: You shared a lot with us, and I want to share this with you. You said you haven't had a personal conversation with the Prime Minister, so I want to tell you about personal conversations I had in the recent campaign, knocking on doors. I knocked on 7,500 doors in 43 days, and we talked a lot about this pension plan. I got a lot of feedback from people telling me that they were very much looking forward to it. I had one person at the door ask, "How are we supposed to live on \$6,500 a year?" That's typically what CPP is. I would put that to you because I saw this in Kitchener Centre. I saw poverty.

Mr. Ian Lee: I'll answer your question. First off, we don't get only CPP when we retire; if we're below the poverty line, we'll end up getting CPP, OAS and GIS. That's why we've almost—almost, but not completely—eliminated elder poverty. We do not have the problem of the 1930s, 1940s, 1950s and 1960s, until we came up with the social package of the mixed pension plan system. That's the first point.

The second point, really just to respond to both of you: I know people at StatsCan. They are incredibly professional people. They constantly evaluate that basket of goods and services to determine how much money we need to be above the poverty line. I am fully confident that those poverty line statistics, which right now for a single person, I think, are up to \$24,000—you're not going to become wealthy at that, and I'm not suggesting that, but we're trying to ban poverty, not put people from here into the middle class there.

Ms. Daiene Vernile: The older folks that I chatted with said, “We know that this is not for us,” that this is going to be for future generations, young people who have less job stability and will be working longer. Can you see this benefiting younger Canadians?

Mr. Ian Lee: While I’m giving you that nuanced answer, if they’re in the bottom two quintiles, no; it’s going to get clawed back. I have already said it will benefit the upper middle class: not all of the upper middle class, but those in the upper middle class who have not saved enough and don’t have an employer pension. So there’s a subset of the upper middle class, the top three quintiles, who will benefit.

But I’ll ask the same question that Janice MacKinnon, the former NDP finance minister, asked: Is it the role of government to address failures of savings by very affluent people making \$100,000 or \$150,000 a year? Now we’re getting into philosophy. I mean, that’s more than I make as a professor, and I don’t see why we should be doing that for people making—say a full professor who for some reason didn’t have a pension plan.

The bottom two quintiles, those people you were talking to, I am certain—because I’ve talked to a lot of people in Ottawa—think they’re going to get an enhancement over what they’re getting now. I say, “No, you’re going to get clawed back. You’re not”—

Ms. Daiene Vernile: No, you won’t.

Mr. Ian Lee: —“going to get a dollar.”

By the way, you should talk to Service Canada about the rules of GIS, which I have, and they do claw back one for one.

The Chair (Ms. Soo Wong): Thank you, Professor Lee, for your presentation.

I believe the Railway Association of Canada is next, and I don’t think they’re here. Because they are scheduled for 4:45, I am going to recess the committee until 4:30, because I think the Clerk has instructed all the presenters to come 15 minutes before their presentations. I’m sorry we cannot adjourn the committee. The staff tried to contact the presenter. So we’re going to recess until 4:30, everybody, and you can get a stretch. Thank you.

The committee recessed from 1611 to 1630.

RAILWAY ASSOCIATION OF CANADA

The Chair (Ms. Soo Wong): Okay, I’m going to resume the committee and we’re going to listen to our last presenter: the Railway Association of Canada. I believe Mr. Michael Bourque, president and chief executive officer, is here, and maybe your colleague.

Just to give you some housekeeping, there will be 10 minutes of presentation, followed by five minutes of questioning from the official opposition party, sir. You may begin any time. When you do begin, please identify yourself and your position, as well as your colleague, for the purposes of Hansard. Welcome. Thank you for being here.

Mr. Michael Bourque: Thank you very much, and I understand that you’re a little ahead of schedule, so I’ll try and get organized quickly with giving you our presentation.

The Chair (Ms. Soo Wong): That’s okay. We have lots of time.

Mr. Michael Bourque: Thank you for inviting us to speak to you today. I think what we’re going to present is pretty efficient, because our message is fairly straightforward.

I’ll wait until you have that to really get to my main message, but while I’m doing that, maybe I’ll just mention that there are 17 railways in Ontario in our membership, out of about 55 railways in our membership in Canada. Most people are pretty surprised to hear that there are 55 railways in Canada. A lot of those are short lines. I’m also including railways like GO Transit which are members, the O-Train here in Ottawa and other commuter services, as well as tourist trains like the Rocky Mountaineer, passenger, Via Rail, of course, and the bigger ones, CN and CP.

One thing that we’ve really seen in Ontario is that there is a lot of support for commuter rail, support from the riding public and support from the government that’s funding it. We’re very happy about that. If you ask yourself, “Why is that?” I think the simple answer is road congestion and cost. It’s simply not sustainable to continue to build more and more roads. When I’m on the road in the morning, which is not very frequently, I see a lot of single-occupant vehicles. In fact, I would argue that free roads distort normal market signals that would lead people to make a more rational choice between cars and transit. But I’m not here to argue for road pricing; I’m here to argue for rail infrastructure. Maybe we can talk about road pricing another day. I think it’s a great subject. I’d love it if you’d invite the trucking association and we can both do that sometime.

Why we’re here: You’ll see on slide 3 the Premier’s instructions to the Minister of Transportation and his priorities for 2014. Specifically, I’m here to ask you to support the mandate given to the Minister of Transportation, Mr. Del Duca, and to tell you why we think it’s in your best interest to do so.

You’ll see on the next slide Ontario’s transportation expenditures. The first thing I want to say about this is that, if you look at it, it’s \$2.8 billion for all modes. This year, CN and CP alone will spend \$4 billion on their infrastructure—\$4 billion. That’s \$1.2 billion more than what Ontario spent in 2013 and probably more than they will spend this year.

So I’m not here to talk about any need that CN and CP would have. They are very profitable companies. They are privately owned. They invest in their network. If you take a glance when you’re driving over a bridge sometime and you see a class 1 railway, you’ll see that it’s in excellent shape—certainly in much better shape than most of our highways in the country.

But if you look at this slide, and you look at the amount that has been spent for freight rail, which is about

\$50 million, which is mostly for Ontario Northland—the point is that most of the money is spent either on transit or on roads. Short line railroads compete with trucks, and trucks don't pay for roads, so they are subsidized. Short line railways are not subsidized.

We think that this should be corrected, and the reason is simply that we believe it's important to maintain the short line infrastructure for the future of the province and for the future of the country. Short lines help to lower costs for their customers, because it is cheaper to ship by rail than by truck. They reduce the number of trucks on congested roads. They increase safety, because it is safer to ship by rail than by truck, and they reduce emissions. As you can see here, the total rail sector accounts for 4% of all the GHGs in transportation. When you consider how much we move in this country, which is a significant amount of volume of goods, about 70% of everything, and we emit 4% of the greenhouse gases—so I always like to say that from an emissions standpoint, there is no better deal than rail.

But there is another really important reason, and that is that it's critically important to maintain rail lines for the future development of the province. It's very difficult to get a railway right-of-way back once it has been put into use for another purpose. We need to think 50 years out and make sure we're doing what we can to maintain a level playing field between short line rail and trucks so that we can maintain those networks.

As an aside, the accident at Lac-Mégantic involved a short line. We think that was a huge anomaly. But it was an interesting case, because at the same time that that accident happened, I had a copy of a court injunction on my desk that was filed by the town of Litchfield, Quebec, which is close to Ottawa here. They were trying to prevent CN from ripping up tracks, and the council from that town was making the argument publicly that if they lost that rail line, they would never attract heavy industry to their area, because it's typically a logging and mining area, and it's not competitive to move those kinds of products by truck. So it was kind of ironic to me, because at the same time that people were questioning a lot of these short lines, you had at least one city going to court to try to prevent the tracks from being ripped up. So those are some very good reasons, I think, for supporting short lines.

In the next slide, you'll see that while we talk about short lines, a lot of them are sort of related, which would be regional railway operations, branch lines and secondary lines. Sometimes there is a complicated ownership. Some of it is community owned. Some of it is owned by customers. So I don't want to suggest that I'm just limiting it to a short line company, because that might exclude others that would be worthy and where we would want to invest.

Finally, just to repeat, what we're asking for is support for the mandate that the Premier has given to the minister. We're asking—even though we can't tell you exactly today what that program should look like, where the money should go, what we'd like to do is see some

money earmarked for rail infrastructure investments, and for this committee to recommend that the Minister of Transportation work with us, with the industry, to develop the programs required to direct these investments. We think that it's very reasonable to suggest that we double the current amount of funding from 2% to 4%, or about \$100 million.

1640

With that, I'd be happy to take some questions. Thank you very much.

The Chair (Ms. Soo Wong): Thank you very much for your presentation. I think Mr. McNaughton is going to begin the questioning.

Mr. Monte McNaughton: Thank you very much, Michael, and thanks to you and your association for really putting a concentrated effort on educating MPPs. I know, since I was elected in 2011, your group has been at Queen's Park a number of times, which I think is great, to educate the MPPs.

I just wondered: Historically, what level of funding has the province committed to rail? Has it always been around 2%?

Mr. Michael Bourque: It has always been very low and it has always been very targeted to Ontario Northland, which is owned by the government. As an aside, the government was going to sell Ontario Northland to CN some years ago, and that deal, at the 11th hour, was cancelled. Since then, it has been harder to make that business case work. I'm sure the government wishes that had happened because it's a very good case where it's a difficult proposition to keep that open. Yet, if we lose it, then there's yet another rail line into an area that will be gone.

Mr. Monte McNaughton: Can you give us some of the costs? I know you said you don't have a specific ask, but in an ideal world—I guess you're asking for 4% of all transportation to be spent on rail.

Mr. Michael Bourque: The reason I came up with 4% is that they spent \$50 million in the latest figures that we have and we think that if there was \$100 million, then that would be a good starting point. From that \$100 million, we would expect companies to make investments also. We would not ask for any money to be spent that wasn't also with a contribution from a company that was requesting. In the United States, for example, they have what they call TIGER grants. There is a contribution by the railway that's reflective of the private benefit that is generated from that investment and there is a percentage that reflects the public benefit. Typically, a public benefit can be counted with reduction in road congestion, safety, reduction of emissions, competitiveness of the customers and so on.

Mr. Monte McNaughton: Can you give us some specific examples of what it costs to build so many kilometres of line?

Mr. Michael Bourque: That's something that's very difficult to get a comparable because it depends what you're comparing it to in terms of road. As one example, I know that CN recently reconstituted a line in Wisconsin

sin. It was about 20 miles and was done for about \$25 million. When I think of the cost of roads, I know it's much higher than that.

Mr. Monte McNaughton: Just a completely different topic: Has the railway association taken a position on cap-and-trade or a carbon tax?

Mr. Michael Bourque: We don't have a position on that. I guess we'd probably be in a position to benefit from something like that because we have such a low emissions footprint and we've had a program of reducing emissions for 10 years and we've had continuous improvement in emissions. But we don't have an official position on that.

Let me just give you one other example, coming back to your previous question: I've also asked Transport Canada for a general figure on the cost of an average bridge that would accommodate rail and car traffic, and the figure I got was \$25 million for that. I think that's probably a ballpark; I wouldn't put any money on it.

The Chair (Ms. Soo Wong): Mr. Fedeli, do you have a question?

Mr. Victor Fedeli: Yes, a couple of questions. After Lac-Mégantic, we understand that there's a federal push to double-wall the rail tanker cars. Is this something that's more discussion or something that will actually happen?

Mr. Michael Bourque: What's happening with the new tank car standard is that—well, first of all, the accident that happened in Lac-Mégantic was using what was known as the DOT-111, which is an older standard. Since then, the industry has pushed for a higher standard.

The tank car that is most prevalent today is what we'd call a CPC-1232, which is a safer tank car, and we have been recommending to the government that they move to the next generation. We have a North American tank car committee; they've made recommendations on what that should be. It includes a number of features to make the tank car safer, based on accidents that have happened in North America, and it includes a thicker steel. What we recommended was eight sixteenths, and there are a number of people who are recommending nine sixteenths. We're not opposed to nine sixteenths.

We think that the federal government is going to announce a new tank car standard soon—

Mr. Victor Fedeli: The reason I ask, of course, is that, with Ontario Northland being in our hometown and with

such massive and underutilized shops after the shutdown of the passenger rail line, this would be an ideal business for the refurb shop to get into.

Mr. Michael Bourque: Well, actually, National Steel Car in Hamilton is already manufacturing tank cars.

Mr. Victor Fedeli: I'm talking about refurb of the existing cars.

Mr. Michael Bourque: Yes, there would be lots of opportunity to upgrade existing cars. There's no question that it would occupy a lot of shop space across North America.

Mr. Victor Fedeli: The only other closing comment I would have is that, with the opportunity to develop an Ontario Northland rail line to the Ring of Fire from Nakina, it could be the first new extensive rail line of several hundred kilometres built in all of Canada if we do this right.

Mr. Michael Bourque: Yes. I have a very strong opinion on that. I'll tell you, I was in Chicago last week and I had the opportunity to listen to the new president of Cliffs mining speak. I asked him about the Ring of Fire, and he said that they have absolutely no interest in the Ring of Fire.

Mr. Victor Fedeli: Cliffs doesn't.

Mr. Michael Bourque: That's right. But I think it's important to understand why. It's supportive of the fact that we need a rail line there. What he said was that it's very far from any infrastructure. It's very far north, it's far from infrastructure, and it's not developed. "Certainly," he said, "our company should not have been involved in this unless there was already a commitment for building either a road or a railroad."

Mr. Victor Fedeli: Of course, he says he's not interested after he spent \$700 million finding out.

Mr. Michael Bourque: Yes, he took pains to say that that was his predecessor.

The Chair (Ms. Soo Wong): Well, thank you very much for your presentation, sir, and thank you for your written submission.

Mr. Victor Fedeli: Great to see you.

Mr. Michael Bourque: Thank you for your questions.

The Chair (Ms. Soo Wong): Okay, folks, we are going to be adjourning to Cornwall. Thank you.

The committee adjourned at 1647.

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**Legislative Assembly
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First Session, 41st Parliament

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**Standing Committee on
Finance and Economic Affairs**

Pre-budget consultations

**Comité permanent des finances
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Consultations prébudgétaires



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ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON
FINANCE AND ECONOMIC AFFAIRSCOMITÉ PERMANENT DES FINANCES
ET DES AFFAIRES ÉCONOMIQUES

Friday 23 January 2015

Vendredi 23 janvier 2015

The committee met at 0900 in the Best Western Plus Parkway Inn and Conference Centre, Cornwall.

PRE-BUDGET CONSULTATIONS

The Chair (Ms. Soo Wong): Good morning. I'm going to call the meeting to order and welcome everybody to Cornwall.

EARTH RANGERS

The Chair (Ms. Soo Wong): The first presenters are the Earth Rangers. Welcome. I just want to inform the witnesses today that you have 15 minutes for your presentation, which means there's 10 minutes for the actual presentation and five minutes for the members of the committee to ask you questions. This round of questions will begin with the government side. When you begin your presentation, please identify yourself and your position within your organization. You may begin any time. Thank you.

Mr. Peter Kendall: Thank you. Members of the committee, representatives of the Ministry of Finance, good morning. My name is Peter Kendall. I'm the executive director of Earth Rangers. I'm joined here today by my colleague Tovah Barocas. We're grateful for the chance to speak with you today as you prepare Ontario's next provincial budget.

The proposal we're presenting to you today addresses the government's commitment identified in the mandate letter given to the parliamentary assistant to the Ministry of the Environment and Climate Change. In it, the Premier directs the ministry to work with environmental organizations, to educate children and youth about climate change, to better support conservation efforts and climate change awareness at home.

We would like to start by congratulating you on this effort. It's clear that we will not be able to reach our carbon reduction goals without an engaged public. Unfortunately, current research shows that while there is widespread awareness and concern about climate change, this is not translating into individual action.

As this government has recognized, children can be a very powerful force for change on this issue. I certainly know that, in my house, if you put recycling in the wrong box, you're going to get it.

Supporting this passion that children have for our natural world is the reason that we started Earth Rangers. Earth Rangers is a kids' conservation organization. We operate programs that use children's natural affinity for wildlife to educate them about the importance of protecting our natural world and inspire them to lead conservation activities at home. Every year, Earth Rangers reaches millions of children and their families through exciting live presentations in elementary schools, an extensive online program, and almost daily programming on YTV, Family Channel, Teletoon and Disney XD.

Although complex issues like climate change are often difficult for children and most adults to understand, what's even more difficult is moving that knowledge into action. However, when children find out the impact that climate change is having on wild animals, they're ready to take action; and when parents seen their kids engaging at this level, they can't help but get involved themselves. We have seen clearly how powerful this can be. Since starting operations in 2004, Earth Rangers has grown quickly to become one of the largest youth and conservation organizations in the country. We currently have over 70,000 active members, and this is a number that's growing by 200 to 300 per day.

Once they join, our members participate in special missions that encourage them to lead conservation projects at home. Our missions focus on activities that children can do themselves or with their families, including energy and water conservation, Great Lakes shoreline cleanups and battery recycling programs. Earth Rangers members also fundraise to help protect species at risk. In the last few years alone, our members have raised over a million dollars to help Ontario species like the Blanding's turtle, Jefferson salamander and eastern wolf. These efforts have contributed significant funding to organizations like the Toronto Zoo, the Nature Conservancy of Canada, and Ontario Ministry of Natural Resources researchers.

It's really incredible to see the passion of these young Earth Rangers. In fact, just last week, I received an article from the Belleville News about one of our members, a seven-year-old girl named Alexa. Alexa was being profiled for having collected 646 batteries as part of our battery recycling project, an amazing accomplishment for a seven-year-old. Even more impressive, I think, was the depth of knowledge that she demonstrated on the import-

ance of recycling batteries, and also her real desire to educate others.

Earth Rangers is the leading expert in developing and operating conservation programs for children and their families. We have the largest membership base and reach of any conservation organization in the province, and most importantly, we share this government's commitment to making a measureable difference on climate change. We believe that a partnership with Earth Rangers is the most cost-effective way for the government to fulfill its commitment to educating young people about climate change.

We are asking Ontario to partner with us with an investment of \$1 million over three years, roughly \$330,000 per year. With this funding, we will be able to work with the Ministry of the Environment and Climate Change to develop and deliver Earth Rangers missions that will educate and engage tens of thousands of Ontario children and their families on climate change. It will also allow us to deliver powerful programming in schools right across the province in both official languages.

Thank you for your time, and we're happy to answer any questions you may have.

The Chair (Ms. Soo Wong): Thank you very much. This round of questions: Ms. Albanese.

Mrs. Laura Albanese: Good morning and thank you for your presentation. I am familiar with the Earth Rangers and the work that you do. It's a laudable effort to teach our young people about the environment. To teach them the importance of it at a young age, I think, is really crucial for our future.

I wanted to ask: How are you funded now?

Ms. Tovah Barocas: We are funded about 20% through the federal government through the National Conservation Plan. That's new funding, but primarily our funding comes from pretty much all industries. We get about 40% of our funding through corporate partners: the energy sector, mining, banking, insurance—we're very collaborative. We also get about 30% through private foundations and we have about 20,000 individual donors.

Mrs. Laura Albanese: So right now you're not funded by the provincial government.

Ms. Tovah Barocas: Less than 1% of our funding.

Mrs. Laura Albanese: And does that come through a specific grant?

Ms. Tovah Barocas: Yes, we've received some funding in the past through the Species at Risk Stewardship Fund through MNR, also through the Land Stewardship and Habitat Restoration Program, and currently we're receiving a \$25,000 grant through the Great Lakes Guardian Community Fund through the Ministry of the Environment and Climate Change.

Mrs. Laura Albanese: Have you researched any other grants that would be available through the provincial government to help you in this, or are you specifically looking for—I know you made the effort to come here this morning, so I want to know if you have already identified some avenue, or if you haven't, then that's the reason you're here.

Ms. Tovah Barocas: Yes, that is primarily the reason we're here, and also just with the new mandate around climate change, there aren't a lot of funding programs that have been established, so we feel that we can make a difference right away, right out of the gate, for this new priority of the government.

Mrs. Laura Albanese: Thank you.

The Chair (Ms. Soo Wong): I believe Ms. Vernile has a question.

Ms. Daiene Vernile: Thank you both very much for coming here today. It's great that we are having this conversation.

In recent weeks, we have heard a fair amount talked about concerning climate change, and we know that our environment minister, Glen Murray, in the near future is going to be coming out with a plan to address this issue. It concerns me that there seems to be a great deal of fear and misinformation concerning this. So what is an organization like yours doing to address the issue of climate change with regard to the people you serve?

Ms. Tovah Barocas: Earth Rangers' philosophy is always to present a positive and hopeful message to our audience. We try to take complex issues like climate change and really focus on the impacts that they have on animals because that is what we find our audience cares the most about. If a child learns the impacts of climate change on polar bears or beluga whales, they're more likely to want to make a difference. But whenever we speak to them about issues like this, we always focus on how every one of us has the opportunity to make a difference and that small actions really can aggregate to create significant change.

The Chair (Ms. Soo Wong): I see lots of hands this time. Mr. Baker.

Mr. Yvan Baker: I'm going to echo what the others have said: Thank you for coming and thank you for the work that you're doing. I think it's really, really important, not just in terms of the results that the young people provide from a conservation perspective but the education you provide, which then leads to, I think, probably even greater results as they progress in life in terms of conservation.

Two quick questions: One is, you requested—was it \$330,000 a year, the amount that you requested, for three years?

Mr. Peter Kendall: Yes.

Mr. Yvan Baker: What specifically would those—if I missed it, I apologize, but what specifically would you see those funds being used for?

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Ms. Tovah Barocas: Our number one way of engaging new members is through schools. We travel to schools all across the province, including rural communities, the north, First Nations communities, inner-city schools etc. The live presentations really inspire children to learn about Earth Rangers, go home and speak to their parents and join the membership program. Once they join, we provide them with free materials and activities throughout the year that they can participate in.

The funding would go towards travelling to new communities and more schools to bring awareness to more students, and then to deliver programs for free throughout the year to all of our members.

Mr. Yvan Baker: Can I ask another one?

The Chair (Ms. Soo Wong): Yes.

Mr. Yvan Baker: My recollection is that Earth Rangers previously supported the protection of the Great Lakes through a bill that was introduced called the Great Lakes Protection Act. I guess my question would be: Is that something that Earth Rangers would support, if that bill were reintroduced?

Mr. Peter Kendall: The short answer is yes. We are big supporters of the Great Lakes Protection Act and the initiatives under it and certainly some of the strengthening that's being done on the act in this recent round, as well.

Mr. Yvan Baker: Thank you.

The Chair (Ms. Soo Wong): A last question from Ms. Hoggarth.

Ms. Ann Hoggarth: I just want to thank you for the work you're doing. The easiest way we can get people to be involved in fighting climate change is from the little ones. I'm a former kindergarten teacher, and as you could see when you were talking, I'm very supportive of what you're doing. They will be our advocates and they will be our adults, and soon we won't have a problem with people believing that there's climate change. Thank you very much for your work.

Mr. Peter Kendall: Thank you.

The Chair (Ms. Soo Wong): I think Mr. Fraser has a last question.

Mr. John Fraser: Yes, very quickly. This is not submitted to a program specifically; it's submitted to the ministry as a request?

Mr. Peter Kendall: That's correct.

Mr. John Fraser: That's great. That's good to know—because there's no program that you can identify right now that's there.

The other thing I would like to just suggest to you is: There's an organization called the ACT Foundation, which provides training for CPR in all high schools. They had a model where they did a partnership with government and with business, which I see you're doing already, to provide that service inside schools in communities. So they actually identified, inside communities, corporate partners. It worked very well. It leveraged that support. I just wanted to make that suggestion.

Mr. Peter Kendall: Great. We'll look into that. Thank you.

The Chair (Ms. Soo Wong): Thank you very much for your presentation.

CORNWALL COMMUNITY HOSPITAL

The Chair (Ms. Soo Wong): The next presenters are the folks from Cornwall hospital.

Jeanette Despatie, good morning. Welcome. As you know, we have 10 minutes for your presentation and five minutes for questions. This round of questions will be

from the official opposition party. Can you please identify yourself for Hansard, as well as your position? You may begin any time.

Ms. Jeanette Despatie: Certainly. Thank you.

Good morning. Thank you for this opportunity to present. I am Jeanette Despatie, the president and chief executive officer at Cornwall Community Hospital.

Cornwall Community Hospital is a 137-bed acute-care hospital operating within the city of Cornwall.

Interjections.

The Chair (Ms. Soo Wong): Excuse me. Just stop for a minute.

Folks, can you take your conversation further to the back or outside? It's kind of distracting. Thank you.

Sorry.

Ms. Jeanette Despatie: With over 1,100 employees and 110 medical staff, we serve a catchment area of over 75,000 residents. We are the largest employer in the area and the largest health care facility in the Champlain region outside of Ottawa.

I am here today to share with you some of our challenges and to request that you give consideration to suggestions I make.

We recognize the tremendous pressure our province is under, while at the same time we are all challenged to meet the significant increase in health care needs of our patients. Over the past number of years, hospitals across the province have worked to ensure that we operate at maximum efficiency. After four years without any funding increase for inflation, we now face some very challenging budget decisions to contain costs and meet the ever-increasing service needs of our patients.

Ontario hospitals routinely operate at 90% capacity. In fact, last year, Cornwall Community Hospital had an average medical-surgical bed occupancy of 114%. One can appreciate the challenges of providing safe, quality care in these over-bedded circumstances.

It is critical that the province engage in health system capacity planning immediately. This province must create a plan to make further investments in home and community services, long-term care, assisted living, and other vital services so that patients not requiring acute care can be discharged safely from hospitals and receive the level of care that they need. This capacity planning will provide the knowledge required to assess where there is capacity in the system and where we are overextended and not meeting the health care needs.

On health system reform: While we can appreciate the need for the funding reform introduced three years ago, and in fact support the direction, it is clearly time to identify the weaknesses and introduce improvements. Specifically, the timelines of funding allocations need to be improved. For example, the 2014-15 year began April 1, 2014. We received our funding letter last week—January 16. This does not allow for any planning or adjustments. This information needs to be available in a timely manner in order to align with our hospital business cycle.

The potential for significant annual fluctuations on funding levels needs to be reviewed closely. Consideration should be given to averaging hospital performance levels over multiple years to avoid significant fluctuations that can result in major changes to service delivery that could otherwise be avoided.

Enhancements to the home and community care sector: While the government has increased funding in the home and community care sector over the past few years, we suggest that these investments need to continue in order to ensure that capacity pressures in hospitals are alleviated. It will be essential to ensure that these investments are targeted to areas where there are proven benefits to the health care system as a whole.

Investments in technology: We know that the sharing of information to support quality patient care and patient safety requires robust information technology systems. Cornwall Community Hospital, like most hospitals across the province, has an aging IT system and is no longer meeting the demands of a high-functioning system or the expectations from doctors' offices or other partners in the delivery of care. Hospitals receive no dedicated funding for information technology improvements and have inadequate resources to modernize and sustain the IT infrastructure. Innovative strategies must be sought in order to meet this huge demand for resources. Priority areas for health system improvement are dependent on these IT systems.

In conclusion, I appreciate this opportunity to share with you some of our challenges and our suggestions. We are committed to ensuring that we meet the health care needs of our community and that we work together to build a sustainable, integrated health system across the province of Ontario. Thank you.

The Chair (Ms. Soo Wong): Thank you very much for your presentation. Mr. McDonell, do you want to begin?

Mr. Jim McDonell: Yes. Thank you for coming out today, Jeanette. You mentioned that you haven't received any increases in four years, so how does that affect your operation? How do you continue to survive that long without any increases?

Ms. Jeanette Despatie: Well, you can appreciate it's a challenge. It is the increases to address inflation that have been frozen. There has been variable funding with the new funding methodology for quality-based procedures, but funding to deal with inflationary pressures, the most significant being salary increases that were either arbitrated or negotiated provincially, is not covered.

So absolutely, it is a challenge. In the last few days we've been working on next year's budget, and we will be making reductions to accommodate these challenges, because we're looking at a 1.4% increase typically across, and our budget is about 75% to 80% staffing. So just those increases are very difficult to deal with.

0920

How do we do it? We try to provide the same level of service with less. It's difficult.

Mr. Jim McDonell: Yes, as you say, energy costs—there have been a lot of increases. I guess I've heard this question right across—in Winchester, I think they've received significant decreases and are trying to do the same with less.

You also talk about your letter received last week. Maybe you could go over some of the issues that causes. You have a budget—you're going through the year. It is definitely hard to plan.

Ms. Jeanette Despatie: Exactly. It's very difficult, and the problem with the delayed announcement is that if you do need to respond to a reduction, it's very difficult to do that with one quarter of the year left. So the impact is four times what it would have been had we known at this time last year.

Fortunately, we had taken a conservative approach, and we were not put in a position where we needed to adjust. But I know that there are hospitals that received less than expected and are scurrying to address that.

Mr. Jim McDonell: Was there any reason given out why funding would be so late in the year? You're talking about more than three quarters of the year. You talked about having a significant workforce, you're talking about increases, and yet you go through the year not knowing where your budget is. It has got to be tough on the board of directors and yourself to make this work out.

Ms. Jeanette Despatie: Well, it is. As I say, I guess our approach is to be very conservative. I think, to be fair, a lot of the challenge is created by the new funding formula. As I say, it is relatively new; we're in year three of that. Our suggestion is that when we look at implementing that new funding formula, we incorporate how we're able to communicate more timely.

The Chair (Ms. Soo Wong): Mr. Clark?

Mr. Steve Clark: Sure. Jeanette, thanks very much for coming. It was nice to meet you.

One of my local hospitals, Brockville General Hospital, faces sort of the same dilemma that you have. Recently they closed their ECU one day a week to help meet the challenges—lots of complaints in the community. Have you had to take some of those drastic steps of reducing levels of service within the hospital because of some of the funding constraints?

Ms. Jeanette Despatie: I guess my answer is yes and no. Yes, historically; no, not within the past couple of years, in terms of reducing service. Let me address that just within the last couple of years. What it has prohibited us to do is invest in trying to address the over-bedded, over-capacity issues. We try to take on more patients and deliver the care with the same—even when the volumes are increasing. Our ER volumes have gone from about 55,000 visits to 60,000 visits in the last couple of years, and we've tried to do that on the same budget. So people may be waiting longer. We're really challenged to address that.

Historically, we have made decisions that have impacted services because of budget; absolutely. Some of those have been closing beds or moving beds to another facility where the proximity is not as good for our popu-

lation, but that's where the capacity was—decisions like that.

Mr. Steve Clark: In terms of the investments in technology, how much would you spend at the hospital on an average year on your IT?

Ms. Jeanette Despatie: It's difficult to speak to an average year. What I can speak to is a capital project that we're looking at right now. We've just signed a contract for a major information technology improvement, which is a single system across the organization that will speak to our partners etc. We're looking at \$25 million to \$30 million. That will be paid for, obviously, over several years. But there are very large investments that need to be made, and we're not unique.

Mr. Steve Clark: So what would you think would be a reasonable figure? As you say, there are no dedicated information technology funds. Would you propose a fund that would be administered through the LHIN or would be distributed equitably within a LHIN jurisdiction? How would you see a dedicated fund roll out?

Ms. Jeanette Despatie: There are obviously different ways of doing this. Two pieces that I want to address on that answer: One is that it needs to be a collaborative approach so that we, as a LHIN and as a province, really need to make sure that investments in technology make sense across the province, so that we end up with a system that can speak to providers across the industry. That would be an important piece.

I know that's not really your question, but it's a piece to that, so that the funding would be tied to the investments that you're making. This needs to be an ongoing investment, so it's probably an annual investment, where it can at least help cover amortization and things like that.

The Chair (Ms. Soo Wong): Thank you very much for your presentation, and thank you for your written submission.

HUB FOR BEYOND 21 FOUNDATION

The Chair (Ms. Soo Wong): The next group coming before us is the Hub for Beyond 21 Foundation. I believe it's Tish Humphries, board president, and Jane McLaren, program manager. I heard from the Clerk that there is a PowerPoint presentation and there's a handout, so that's good. Thank you.

Ladies, welcome. Can you please identify yourselves for Hansard, as well as your position? You have 10 minutes for your presentation and five minutes for questions. This round of questioning will be from Ms. Fife from the third party.

Ms. Tish Humphries: Thank you; good morning. Thank you for this opportunity to be here today. My name is Tish Humphries. I'm the president of the board of directors for Beyond 21, one of the founding members and a parent with a special-needs daughter.

"Your child has a developmental disability"—six words that change parents' lives forever. The journey you expected and planned for has changed course, impacting you, your spouse and your family forever. Our family has

been on this unplanned journey for 26 years. It has been challenging, discouraging, exhausting and frightening, with smiles and with tears.

Fast-forward the pre-school years, the elementary years, the trips and hours spent with speech therapists, physiotherapists, occupational therapists, medical specialists, resource teachers, IPRC meetings and hospital admissions, and we arrive at the high school years for a stay until our teenager reaches the magic age of 21.

Our daughter, Emma, was turning 18 and I thought I would start to research the opportunities available to her at that magic age of 21. After all, our older three daughters had gone on to university to further their education, plan for their future and explore the world. What could we offer our daughter? The findings were astounding. There was nothing, and if there was a slight possibility of joining Community Living, the wait-lists were ridiculous and the programming was not enough for our daughter, who needed full care at all times.

I thought: After all this love and work on our part and that of all of these professionals who had worked so hard with Emma to help her be the best she could be, nothing was available to her? I spent many sleepless nights knowing I would have to quit my job that I loved, not to mention the financial piece. And what about Emma? The quality of life she knew was now over? No peer interaction, no social activities, nothing to get out of bed for? Does this sound dismal? It was the reality.

I started to research programs across Ontario. I knocked on politicians' doors, college doors and agencies. My husband and I put an ad in the Seaway News, a free paper that is delivered in the SD&G area, asking families what their situation was with their disabled adult. It was shocking and sad. The same thing was happening to them.

I knew in my heart I had to change this. The developmentally challenged over the age or 21 deserved more. They are entitled to a quality of life and do need a reason to get up each and every morning. This does not mean sitting in a chair at home with only their family as their world.

Fast-forward: With many hurdles, hard work and divine intervention, Beyond 21 opened its doors three years ago. Our journey is far from over, but we are on the right course. Emma and her participant friends now have a future and can make choices to help them grow, develop and, above all, enjoy life.

It is my pleasure to turn this over to our program manager, Jane McLaren.

Ms. Jane McLaren: My name is Jane McLaren. I'm the program manager of the Hub for Beyond 21 Foundation.

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Beyond 21 is a day program. We program each day in the five areas that you see on the screen. Our key focus, though, is to be an area where individuals with developmental disabilities 21 years of age and older can come together and make peer connections, and from there can go forward into their communities.

Each of you came to be here today through your own path. You made choices in life, when you graduated from high school or university, about what you were going to do for work. Somebody said earlier that they were a kindergarten teacher. You have all had choices, and you continue to make those choices each and every day. The reality, though, for individuals 21 years of age and older with developmental disabilities can be very different. They remain in school until the age of 21. At that time, they graduate and come into the community expecting to have the same choices that each of us had. The reality, though, can be very different. They're dependent on their families to find funding opportunities for them and to access that funding. They're dependent upon their families to identify programs and to connect them to those programs, either leaving their jobs or hiring someone to take them for what is often one or two hours a week. Many end up spending their lives at home, watching TV or playing video games. In one word, their reality can be summed up as "isolation." Worse than that, though, is that from the time when they are diagnosed to the time when they leave this world, their parents are told that they must accept reality: "You must accept that your child will never go to school, will never graduate, will never get a job, will never live on their own."

Today I want to challenge you, as you look at funding, to have a paradigm shift and change this reality for this population. Change away from focusing on deficits and what they will never accomplish. Change away from requiring these individuals to learn to adapt to the community if they wish to work, to seeking ways to remove barriers and increase accessibility, so that individuals who live with developmental challenges can live as valued and contributing members of our community, the same as each and every one of us. Change away from a social responsibility to provide for their needs to enabling the developmentally challenged to be socially responsible adults contributing to the community on a daily basis.

There are many, many barriers that this population faces. They are misunderstood and discriminated against, seen for their limitations.

One of our participants went to volunteer at a store one day. She'd been there for many, many months with another program. She got there, but her worker was delayed. Even though the store was open—you and I could have gone in and gone shopping—she was refused admission, because her worker wasn't there. How, in Ontario, can you look at someone with a developmental disability and say, "You cannot enter our store"? How can that be allowed? But it's not an isolated case; it happens over and over.

More than any population I can think of, this population needs the government to step up, partner and be their advocate. Their parents cannot and should never be the only champions in their lives. There is a huge lack of communication from ministry to ministry, to community programs such as ours, to the parents, to the individuals. They don't know how to access funding. They don't

know what programs are out there. There needs to be a strategic communication plan in place that transcends every ministry, from diagnosis through to end of life, that hits community programs like ours that are providing services, and, more than that, to the key: the parents and the individuals who use these services.

When they do find them, the process to access them is so long. It needs to be streamlined somehow.

We have a participant who has now joined us for one extra day a week. Why? Because seven years ago he made an application and, after seven years of interviews, paperwork, appointments and meetings, he finally got funding to attend our program for one more day a week—\$25. That's what he got in extra, after seven years.

There's a huge lack of funding for individual supports and a critical lack of funding for effective programming.

Beyond 21 succeeds. We succeed by investing in people, community, potential and dreams. But we absolutely have challenges. We are challenged by funding. We are not a ministry-funded organization. I invest hours of my time doing fundraising, as does my board and our volunteers.

We are challenged by reaching the people who need us. The DSO does not inform families that we exist. Ministry-funded organizations have no obligation to let the public know, so we have to invest in a strategic communication plan ourselves in order to reach the people who need us.

We are challenged by removing barriers. When our participants want to go out and volunteer in the community, we're told, "Oh, we had someone like that once," as if they've done their duty, or, "No. They won't fit. They can't do it." Those same prejudices that I spoke of before exist.

We are also challenged by accessing supports. We have to go out and identify the supports in order to accommodate and facilitate what can work for us.

And we are challenged by waiting. Like so many of our participants, we wait and wait and wait for change.

If there can be a paradigm shift that sees this population as valuable and contributing, breaking down barriers and enabling a new vision of the future where everybody will have someplace purposeful to go; where choices and decisions will be made by them and with them but never for them; where they will have friends; where they will be connected to and utilizing community supports; where they will be aware of their financial options and able to access them with ease; and where they will have choices and options for their future. The result, we believe, will be individuals connected to and contributing to this community.

Thank you very much for this opportunity.

The Chair (Ms. Soo Wong): Thank you very much for your presentation. Ms. Fife, do you want to begin the questions?

Ms. Catherine Fife: I want to thank you, Tish, for sharing your story, and I want to thank you, Jane, for being so passionate about this issue. Clearly, there is a

huge gap in the system right now, and this has been a long-standing issue in the province.

Why do you think—some of us are very new around this table, as we're travelling around the province. Why do you think that this vulnerable group of citizens remains off the grid as far as the government is concerned?

Ms. Tish Humphries: Interestingly, when we were meeting with agencies, one being Community Living, there were no statistics available as to the amount of families living with this horror that no services were available to them, and no one knew where to find the numbers. That was shocking.

Ms. Catherine Fife: And you need to have the stats in order to meet the needs.

Ms. Tish Humphries: That's right.

Ms. Jane McLaren: I think, too, when you think about it, who is their champion? There are users going around championing for mental health. We have individuals who go across Canada and across this province championing for people. But who is the champion for the developmentally disabled? There really isn't one.

And just the fact, as I gave that example, that legally this person can be told, "No, you have to stay out until your worker can show up," and nobody—even her parents thought, "Oh, well, that happens." The worker thought, "Oh, well, that happens." The agency: "Oh, well, that happens." How can that happen? That's where I really—there just needs to be a stepping up that shows the value of these individuals and champions them and stands with them.

Ms. Catherine Fife: I think, actually, Tish, you made a really interesting point. You are in a position where, if your daughter requires full care at the age of 21, you have to leave your workforce. So there has to be some acknowledgement that there's an economic impact for not having a strategy or a support network in place. Can you speak more about that?

Ms. Tish Humphries: Yes. When my husband and I ran this ad several years ago—as I mentioned, Emma's 26 now, so that's eight years ago—what I found out from families, number one, was that, yes, the economics of first of all finding a program, the cost of transportation, the time it takes to transport your individual to and from—that sounds so small, but it's quite huge.

Just take an example of a family that comes to our program. Parents send their son or daughter to the program. They want to go for a nine-hole game of golf—a little bit of recreation from a very stressful life that they live, dealing with an adult who requires care 24/7. Well, okay, we drop them off—gosh, we get held up at the golf game. We've got to leave the golf game to go pick her up. That's the reality. You know, that sounds so small, but when you deal with that day after day, hour after hour, and there's never an "off" button unless—we're fortunate in our family; we have daughters who support us. But there are many families—number one, again, the cost. We have to hire a support person to take Emma to her program because she is lower-functioning and cannot

attend alone. So we have to pay \$17 and up for someone to come, pick her up, take her to the program, stay with her all day. So the costs just start to build.

Ms. Catherine Fife: You mentioned, Jane, you receive no ministry funding, and I was disturbed to hear that the DSO is not fairly communicative in the community as to sharing what resources actually exist. You know that in the last election and budget, \$810 million was earmarked for this ministry—these services should fall under that ministry. Are you making today a specific financial request or ask for dedicated funding for programs?

Ms. Jane McLaren: I think there needs to be funding for community-based programs that currently are falling outside the ministry.

Ms. Catherine Fife: But who should distribute that funding, then? Should it go to the DSO?

Ms. Jane McLaren: No.

Ms. Catherine Fife: So how would you—do you see direct funding?

Ms. Jane McLaren: And I don't mean to downplay the DSO or insult the DSO whatsoever.

The example I gave you of that individual going and volunteering was under the DSO, and what happened was acceptable to them. It's not acceptable to us. It's not acceptable to the families.

We're not stand-alone. There are programs across Ontario that have been founded by parents, by educators, by people who are concerned, exactly like us, that receive no funding, because they are seeing this gap and wanting to fill that gap. There needs to be some sort of parameter in place that allows us to get a stable platform of funding—even if it's not everything—that we can build on so that we can focus on reaching out to the families, getting them in and programming with them so that they can get out and contribute to society.

0940

Ms. Catherine Fife: Absolutely, and there's a fundamental care issue here as well—residential care. Obviously we're seeing parents who are in the untenable position of not being able to care for their high-needs adult child and leaving those children on the doorstep of a CAS or a hospital.

I would encourage you to follow the \$810 million. I'll be following the \$810 million and trying to ensure that that money actually gets to communities to meet the needs of people in this province so that inclusion, actually, can be the reality.

Thank you very much for coming today.

The Chair (Ms. Soo Wong): Thank you very much for your presentation.

I will be following up because I am the parliamentary assistant to Minister Jaczek, who is responsible for community and social services. I've been texting her.

I'm going to get Susan to give you my business card; you can follow up with me. Susan, can you pass it down to them?

COUNSELLING AND SUPPORT SERVICES
OF STORMONT, DUNDAS AND
GLENGARRY

The Chair (Ms. Soo Wong): The next group to present to us is the Counselling and Support Services of Stormont, Dundas and Glengarry. I believe Glen Grant, board chair, is here. Welcome, gentlemen. I'm not sure you heard earlier: You have 10 minutes for your presentation and five minutes for the members to ask you questions. This round of questions will be coming from the government side. To begin your presentation, can you please identify yourself and your colleague as well as your position for the purposes of Hansard? Thank you. Welcome.

Mr. Glen Grant: My name is Glen Grant, and I'm the president of the board of Counselling and Support Services. With me is Mr. Ray Houde. Ray is the executive director of Counselling and Support Services. Thank you, everyone, for allowing me to make this presentation to your committee.

I'm not sure everybody knows what family service agencies do. Family service agencies provide services to more than 250,000 individuals, couples and families in Ontario each year—before they are in crisis, which allows government to reduce high-cost emergency department visits and the involvement of high-cost tertiary care mental health specialists.

Serving as hubs in their communities, well-connected with health and social services and having a collaborative philosophy, family service agencies work with family physicians, mental health clinics in local hospitals, workplaces, schools, police, CASs and other organizations such as the Canadian Mental Health Association—all of whom regularly refer people to family service agencies for counselling.

Highly qualified and experienced staff provide a broad range of individual and family counselling services, in person or over the phone, that help people of all ages and walks of life resolve their problems, find and keep a job, provide for their families and function in the community. Family service agencies have particular expertise in both solution-focused brief counselling and long-term therapy.

Statistics from the FSEAP National Outcomes Project: Effectiveness of Counselling 2014, over a two-year period from January 2012 to December 2013, show that people who seek assistance from Family Service Ontario agencies showed a statistically significant improvement of: 16% in overall workplace functioning, including improved attendance, relationship with superiors and co-workers, ability to concentrate at work quantity and quality of work; and 63% in overall functioning post counselling for those in clinical distress.

Problems and solutions: Evidence-based results and respect for taxpayer dollars characterize two easy-to-implement solutions that family service agencies are putting forward today to help government implement the mental health and addictions strategy, and support the goals of the Poverty Reduction Strategy.

The problem: Emergency departments in hospitals and primary care physicians are seeing many patients who present with mental health issues, creating long wait times and an inappropriate use of Ministry of Health dollars. A solution: Divert people with moderate mental health and addiction issues away from expensive emergency department services and toward quick-access mental health walk-in counselling services. Benefits: People with non-medical needs receive care more appropriate to their mental health needs, quickly and closer to home.

The problem: Male survivors of sexual abuse have no guarantee that the support offered to them through the current Ministry of the Attorney General will be available to meet their needs. Waiting lists for the pilot program are going up, yet funding has decreased.

A solution: Provide sustaining funding to support counselling services for male survivors of sexual abuse.

Benefits: Men who receive counselling support abandon thoughts of suicide, pursue job interviews, maintain employment, and are better able to financially and emotionally support their families.

Quick-access mental health walk-in counselling services for people with moderate mental health issues: One in five people in Ontario will experience a mental health or substance abuse problem in their lifetime, a crisis that creates family breakdown and a cycle of job loss and lost productivity for employers. The Ministry of Health spends more than \$2 billion each year on acute care, drugs and community services related to mental health and addictions problems. However, many mental health issues do not require months or years of counselling and medications for resolution. What Ontarians do need is easy, fast, inexpensive access to mental health and addictions counselling services when they are most in need and most open to change.

This reality is supported by the Drummond report, which identified that quick-access counselling can decrease costs in the health care system by reducing emergency department visits—the default entry point into the system—by people with mental health and addictions problems. Walk-in counselling also reduces psychiatric wait times and streams those who have an immediate need into proven non-medical services that work.

Family service agencies have the existing infrastructure and expertise to provide quick-access mental health walk-in counselling and are already supporting individuals in need in these three local health integration networks:

(1) Champlain Local Health Integration Network: Family service agencies in Champlain are partnering with hospitals, settlement agencies and community health centres to support the mental health needs of new immigrant and other at-risk communities with LHIN funding through to 2017. Funding was enhanced in 2014 to include weekend services to meet the growing demand for service;

(2) North East Local Health Integration Network: East Algoma counselling services received funding for two

full-time staff to provide counselling services as a result of the Elliot Lake mall collapse. Working in collaboration with other community providers to determine the most effective way to address the community need, quick access to counselling is one of the services responding to community need;

(3) North Simcoe Muskoka LHIN: Catholic Family Services of Simcoe County met the criteria for new funding and is receiving start-up and annualized funding to provide mental health walk-in counselling with other health-funded partners, such as local community health centres and community mental health centres.

But family service agencies are relatively new players at the local health decision table, putting them at a disadvantage when the LHINs trend towards partnering with traditional health service providers.

The ask: Family Service Ontario asks that the Ministry of Health provide funding directly to the LHINs specifically to divert people with mental health and addiction problems away from expensive emergency departments and toward quick-access mental health walk-in counselling services offered by community-based family service agencies.

Support services for male survivors of sexual abuse: One in six men in Ontario has experienced sexual abuse. In December 2009, the Cornwall inquiry, established to assess how institutions responded to people who had been sexually abused, found that there was systemic failure in serving these vulnerable young people. A key recommendation made to the Ministry of the Attorney General was to offer support services to male survivors of sexual abuse in Ontario.

In September 2011, the Ministry of the Attorney General, in partnership with four lead agencies, rolled out support services through a three-year pilot program. The program included individual and group counselling and peer support, acknowledging that different responses to male sexual abuse were required in different communities. As of June 2014, 2,783 men have been served. Pre- and post-measures evaluation has shown that the program is effective in helping male survivors of sexual abuse get their lives back. Indeed, the program saved the lives of those considering suicide. Other survivors improved their employment record and family relationships.

Funding for the program ends on March 31, 2015. Demand exceeds the current funding of \$2 million to serve the whole province. Agencies do not promote the program because they cannot deal with the demand, and they aren't allowed to have waiting lists.

0950

The ask: Provide agencies that deliver this program with an initial \$2 million in annualized funding and engage in a consultative process to further assess the real costs of providing the services across Ontario.

In conclusion, not-for-profit organizations also have a role to play in saving the taxpayer money. We are ready and willing partners with government and well positioned to participate.

We look forward to providing additional information or answering any questions the committee may have.

The Chair (Ms. Soo Wong): Thank you very much. I believe this round of questions is starting with Ms. Albanese.

Mrs. Laura Albanese: Thank you very much for your presentation and for being here today and highlighting possible solutions that family services agencies can offer, and for highlighting also the issues that you probably see every day. Your suggestions are well taken.

I know that the ministry last year earmarked something like \$140 million towards domestic violence, and I think we also earmarked specific funds to go towards violence against women. There is more public awareness around violence against women, but violence and sexual abuse for males is also a reality. You're bringing that forward. I was wondering if you could speak a little more about that.

Mr. Ray Houde: Yes. The type of clients that we see do come in for different reasons. Domestic violence is probably one of the top three issues that we see at the family service agency in Cornwall. But we're finding with the offenders in our male abuse program that about 60% of them were abused as children and are still struggling. Even though it could be 30 or 40 years later in their lives, we know that it's an issue that they haven't dealt with; they haven't come to some conclusions.

This particular funding that we got in 2011 has been very helpful in helping some of these individuals on an individual basis. It took a little while to get going because it was a little threatening for them to come to groups, for example, because we provide both individual and groups. But we have noticed over the last year that the numbers have increased tremendously. We're concerned that this particular funding that we have will expire at the end of March of this year, and we're not quite sure how to handle this.

Mrs. Laura Albanese: So this funding that expires at the end of March: Have you been in contact with the ministry to see if it could be renewed, or—

Mr. Ray Houde: Yes. We are working with partner agencies, and the lead agency is one in Ottawa that we are working with. So we are working with them, and they have been in touch with the Ministry of the Attorney General, because this is where the money is coming from. We're hoping and keeping our fingers crossed that at least the same amount of funding will continue beyond 2015.

Mrs. Laura Albanese: So if I understood right, through the partnerships that you are involved in, an application has gone through.

Mr. Ray Houde: It has gone through. That's correct.

Mrs. Laura Albanese: Thank you. I know that my colleague MPP Baker has some questions as well.

The Chair (Ms. Soo Wong): Mr. Baker.

Mr. Yvan Baker: Thank you very much. I found this very informative. I know people who have been impacted by this, so I appreciate you raising this and doing what you're doing.

The question I have is: What's the scope of this challenge? Do we have a sense of the scope? If you mentioned it, I apologize that I missed it. But what is the scope of this? Do we have a sense of how many men are out there who have been victims of this type of abuse? Then, of those, how many are even seeking treatment? Do we have a sense of that?

Mr. Ray Houde: Well, when we had the public inquiry, there were numbers thrown around that there were about 300 in this area—and I'm talking eastern Ontario, not only Cornwall—that have been identified as victims of sexual abuse. I would say probably a third, probably 100, are coming out and continuing to seek assistance.

There is still a fear with the fact that some of these individuals were abused while they were involved with institutions. It took them a while to realize that family services are not like a children's aid or part of a church or schools and to feel comfortable that we are qualified and are capable of providing the service.

But I still see—I know there are numbers of individuals out there, because we also run the PAR Program, which is the Partner Assault Response Program, where men who abuse their partners—those numbers are skyrocketing. There are a fair number of those individuals who, in the groups that they participate, talk about their youth and how they were abused, but they're not part of the other system of the male sexual abuse counselling program. This is a huge number out there who are not seeking the help that they need.

Mr. Yvan Baker: Yes, maybe they're not reporting. In your submission, you have a request here. I think \$2 million was the amount of money that—

Mrs. Laura Albanese: In US funding.

Mr. Yvan Baker: In US funding, yes. The question I have is: What types of services would that provide? I'm trying to get a sense of scope of the problem that that \$2 million would address. How many people would that treat and what sorts of services could be provided under that funding?

Mr. Ray Houde: I believe the \$2 million is province-wide, that was made available. I'm not sure—depending on how much we would be sent this way.

The cost of counselling for us is about \$100 a session. That's a number that we can put towards the individual therapy.

Mr. Yvan Baker: Per session, to effectively—and I know it ranges from person to person—but on average, typically, how many sessions are—

Mr. Ray Houde: It takes probably an average of about 10 sessions on an individual basis, and probably 12 to 15 in a group. If we can combine both of them, I think that's very positive, but that would give you an idea about the type of help that is required.

The Chair (Ms. Soo Wong): I believe Ms. Hoggarth has a last question for you. Ms. Hoggarth?

Ms. Ann Hoggarth: Thank you for the work that you do; it's very important. I think of Theo Fleury when I think of male victims of sexual abuse.

I think I see what you're asking for. You're asking for the \$2 million that has already been allocated to continue to be allocated. Is that correct?

Mr. Ray Houde: That is correct.

Ms. Ann Hoggarth: Thank you.

The Chair (Ms. Soo Wong): Thank you very much, gentlemen, for your presentation and your submission.

The next group before us is David Brown Construction Ltd. Are they here? I'm going to ask one more time. Is David Brown Construction Ltd. here? Seeing none, I just want to let folks know that I'm going to recess the group because I think we have to check out by 12 noon.

The next speaker is coming to us by conference call so we need to be punctual. It's coming in at 10:15. I'm going to recess the group because the next speaker is coming in from Sudbury; so I just want to recess the group until 10:15. Thank you very much.

The committee recessed from 0957 to 1015.

SAM BRUNO PET SCANNER STEERING COMMITTEE

The Chair (Ms. Soo Wong): We're back from the recess of the Standing Committee on Finance and Economic Affairs. Our next presenter, Ingleside Foodland, has cancelled. Instead, we have the Sam Bruno PET Scanner Steering Committee, coming to us by conference call from Sudbury.

Brenda Tessaro, are you on the line?

Ms. Brenda Tessaro: Yes, I am.

The Chair (Ms. Soo Wong): Good morning.

Ms. Brenda Tessaro: Good morning.

The Chair (Ms. Soo Wong): My name is Soo Wong. I'm the chair of the Standing Committee on Finance and Economic Affairs. We're delighted that you're able to join us at this hearing—through the phone, unfortunately. I'm going to introduce the members around the table, so that you know who they are. On the government side are Laura Albanese, Yvan Baker, John Fraser, Ann Hoggarth and Daiene Vernile; from the official opposition are Steve Clark and Jim McDonnell; and from the third party is Catherine Fife.

I believe you were in Sudbury on Wednesday. Am I correct?

Ms. Brenda Tessaro: Yes.

The Chair (Ms. Soo Wong): On Wednesday, you saw that we have a total of 15 minutes per presenter, but your presentation time is actually 10 minutes, followed by five minutes of questioning from the committee. I believe that Ms. Fife from the third party will be asking you the questions for this round.

Please identify yourself, as well as your position with this particular group. You may begin any time. Thank you.

Ms. Brenda Tessaro: Excuse me. Do I have an opportunity to ask a question or two myself?

The Chair (Ms. Soo Wong): No. You're going to be doing a 10-minute presentation, followed by five minutes of questions from Ms. Fife from the third party.

Ms. Brenda Tessaro: Thank you.

The Chair (Ms. Soo Wong): You may begin.

Ms. Brenda Tessaro: Good morning. I am Brenda Tessaro, spokeswoman for the Sam Bruno PET Scanner Steering Committee. I'd like to take this opportunity to thank the Standing Committee on Finance and Economic Affairs for giving me the opportunity to present to you today.

Sam Bruno, after whom our committee is named, was diagnosed with colorectal cancer at 50 years of age. He fought to have PET scans publicly funded in Ontario during his cancer journey, and was successful. Sam recognized the injustice of a system where optimal health care was at times based on one's financial status, as opposed to need. Sam died in July 2010. Little did he know that his home region, the cancer centre for the north, would still be without a PET scanner for many years to follow.

Martin Luther King, Jr. once wrote, "The ultimate measure of a man is not where he stands in moments of comfort and convenience, but where he stands at times of challenge and controversy." Today I come before you at a time of challenge and controversy.

Our region, which encompasses 47% of the land mass of Ontario, is comprised of numerous challenges. Our region is challenged geographically, covering over 400,000 square kilometres. Our region is challenged by its population density of 570,000, spread out over those 400,000 square kilometres. Our region is challenged by having the highest cancer death rate and one of the highest cardiac death rates in the province of Ontario.

Our region is challenged by a government which chooses to ignore these challenges and puts us on the same level playing field as other regions in the province without these challenges. Northeastern Ontario needs to be recognized as having these challenges, so that the Ministry of Health and Long-Term Care, along with the North East LHIN, can come together in the spirit of co-operation and resolution with our hospitals to provide the citizens of the northeast with this life-saving diagnostic device.

1020

In attempting a comparative analysis based on population, I was drawn to Ottawa. Ottawa is comprised of an area of 4,700 square kilometres, compared to 400,000 square kilometres in northeastern Ontario. It has a population of 900,000 while the northeastern region has 570,000. If we do the math, the city of Ottawa has two PET scanners, which equates to one scanner per 450,000 people. The northeast region has zero PET scanners per 570,000 people. These statistics beg the question: How is it, then, that the city of Ottawa has created a viable, sustainable business plan to maintain two PET scanners with a significantly lower population-to-scanner ratio than the northeast and services an area 99% smaller?

We all live in an era of soaring health care costs and will continue to do so with our aging population as various cancers and Alzheimer's disease become more prevalent. We must adopt the philosophy of short-term pain for long-term gain as we move forward in the pur-

chase of a PET scanner. No longer can the health care system financially afford to subject patients to misdiagnoses, unnecessary surgeries, ineffective treatments and unnecessarily lengthy hospital stays because our doctors are not provided with the most effective diagnostic equipment possible.

Such an example comes to mind when in the summer of 2011, a 60-something-year-old male presented himself to HSN—that's our local hospital here, Health Sciences North—exhibiting cardiac symptoms. He was admitted, endured a lengthy stay of 21 days and had every diagnostic test possible related to his symptoms, but to no avail. At this point, he was flown by air ambulance to the Ottawa heart institute for a PET scan. Within 48 hours, the scan was read, his condition was diagnosed, his treatment was staged and he returned to HSN to be discharged the following day.

All in all, the cost to the system:

- 21 days at \$1,000 a day: \$21,000;
- return air ambulance: \$15,000;
- the cost of all the initial tests done: unknown.

Ballparking this one example: definitely over \$40,000. If our Sudbury hospital had a PET scanner, the cost would have been less than \$4,000 for a two-day stay and the scan. This situation alone reflects a \$40,000 cost to the system versus a \$4,000 cost: approximately 90% higher. This example is only one of the many, many cases people from the northeast have shared with me and members of the committee.

Over 200,000 citizens from the northeast access the Northern Health Travel Grant per year, costing the province \$53 million per year. I recognize that not all of these patients were PET scanner patients. Needless to say, when the system spends more money on transportation to get patients to treatment than the cost of the treatment and specialist put together, it is not spending health care dollars wisely. In many cases, sadly enough, the end result—in addition to staggering costs to the system and to the families who spend weeks, sometimes months, out of town—is patient death. This practice is a lose-lose situation for all parties concerned.

The Sam Bruno PET steering committee recognizes that the acquisition of a PET scanner for Health Sciences North changes this practice to a win-win situation for all parties. No longer do we wish to be known as the only region in the province without a PET scanner. The PET steering committee remains hopeful that the Minister of Finance and the Liberal Party move forward in supporting us in the purchase and operating costs of a PET scanner for Sudbury.

Once again, thank you, on behalf of our committee, for affording us this opportunity to have a voice.

The Chair (Ms. Soo Wong): Thank you very much. Ms. Fife, do you want to begin the questioning?

Ms. Catherine Fife: Thank you very much, Brenda, for taking the time to call in and share your concerns about the lack of a PET scanner in Sudbury. It's very topical, obviously, because just yesterday the Minister of Health was in Sudbury, and he downplayed any commit-

ment to a PET scanner for Sudbury. He also said, when we asked him in the Legislature—and I think it needs to be said that France Gélinas has presented 28,000 signatures in support of Sudbury getting a PET scanner—he still needed to familiarize himself with this request.

You've been working for years to bring this to the government's attention. How frustrating is it to still hear the Minister of Health refusing to understand Sudbury's need for a PET scanner?

Ms. Brenda Tessaro: You have absolutely no idea. "Frustration" is putting it lightly, for sure.

On October 23, 2014, the Sam Bruno PET committee was extremely hopeful, first of all, to have someone from the medical field as the Minister of Health and Long-Term Care. We felt he would better understand our situation here. When Dr. Hoskins stood up in the House and responded to Sudbury's then-MPP Joe Cimino that he would meet with him and France Gélinas to discuss the acquisition of a PET scanner for Sudbury, this exchange was played live stream that evening to a packed house of over 400 attendees of the Sam Bruno PET scanner annual gala. The people in attendance almost brought down the house with applause. We were thrilled that a Minister of Health from the government side finally agreed to meet with these long-time supporters of the cause.

After three months, since agreeing to meet with MPP France Gélinas and approximately 20 additional attempts by her to set up a meeting date, to no avail, we have a question ourselves: When is our Minister of Health and Long-Term Care, Dr. Hoskins, going to grant an audience to France Gélinas, who is the strongest advocate of the Sam Bruno PET Scanner Steering Committee, as promised? He is new to the position. We understand that. But, as you have pointed out, this has been a long battle that the citizens of Sudbury and the northeast have been fighting. To have this promise put forth by him on the 23rd of October and yet, three months later, still not agreeing to set a date—"frustrating" is a very mild word, to put it bluntly.

Ms. Catherine Fife: Is that the question that you want to pose to the committee earlier?

Ms. Brenda Tessaro: Yes. My question is: when? He has already agreed to meet with her, but she has made 20 additional attempts. Our question is: When is our Minister of Health and Long-Term Care, Dr. Hoskins, going to grant an audience to France to better understand the situation? He is new to the position, and he's not going to get a better advocate and anyone more knowledgeable than someone who was fighting this cause when Sam Bruno was still alive.

Ms. Catherine Fife: Sure.

The last Minister of Health, Ms. Matthews, said that there would be trade-offs: If Sudbury were to get a PET scanner, they would then lose their MRIs. Do you want to comment on that?

Ms. Brenda Tessaro: As someone who is not from the medical field, I myself can distinguish the difference between these two diagnostic tools. They have two totally different functions. They operate differently, and they

meet different needs. So to say, "If we give you this, we're taking away that"—that is definitely not a fair exchange and doesn't contribute to better health outcomes for the people of the northeast. You can't give us one piece of diagnostic equipment and take away another and say, "Well, there you go," because they function differently, as I pointed out earlier.

1030

Ms. Catherine Fife: How much money has the Sam Bruno PET scanner committee actually raised to date, Brenda?

Ms. Brenda Tessaro: As of yesterday—we had more money coming in yesterday, so that has brought us up to \$665,000.

Ms. Catherine Fife: Wow. That's amazing. I just want to say to you, Brenda, that I think you've made a compelling case—a good, strong economic case, actually, a financial case—for this committee to recommend to the minister that, financially, this province would be better served by Sudbury having a PET scanner. So we'll be putting that forward when this committee finalizes its recommendations.

Ms. Brenda Tessaro: Thank you so much for that.

The Chair (Ms. Soo Wong): Thank you for your presentation, Ms. Tessaro, and thank you for your input to the 2015 pre-budget consultations.

All right. I want to check: Is David Brown Construction Ltd. here? No. Okay. We're going to do the next one.

HOUSE OF LAZARUS

The Chair (Ms. Soo Wong): The House of Lazarus: I believe it's Pauline Pratt, the executive director. Come on down to the table. Welcome. Ms. Pratt, you have 10 minutes for your presentation and five minutes of questions from the committee members. This round of questioning will be from the official opposition party. You may begin at any time. Please identify yourself for Hansard. Thank you.

Ms. Pauline Pratt: I'm just setting my timer so I keep me on track.

Good morning, and thank you for the opportunity to present to you here today. I think, based on the last presentation, I come from a very different place. The House of Lazarus is an outreach mission in a rural community. I am Pauline Pratt. I'm the executive director of the House of Lazarus, and I have been there for 12 years now.

I think it's important to recognize that this rural community that we serve is a very large geographical area. Just to give you an idea, Mountain is located—this is probably not going to help—between Winchester and Kemptville. We're in North Dundas county, about 40 minutes south of Ottawa—how's that?—and north of Morrisburg.

We are literally across the street from cows and cornfields. We have a food bank, a household bank and a clothing bank. We serve people in the area who have different needs. Often, it's crisis; sometimes it's a fire

victim who has lost everything. Our food bank serves 290 families in our area.

One of the things that I'd like to bring to your attention is that in 2010, we took part in a social audit. This was the first time that they'd ever done a rural social audit, because "rural" was always considered to be Cornwall or other larger centres. The culture is very different.

During this audit, we interviewed people who live in poverty: recipients of OW and ODSP, and those who were the working poor. We interviewed members of our local municipal council, and we interviewed the social service agencies who served.

Out of that meeting came some very profound insights: (1) Nobody knew who did what, and (2) everybody wanted to be a part of the solution.

Living in poverty is, for many, humiliating and discouraging. Certainly, when you're constantly living in a state of crisis, not knowing what your future is going to look like is very stressful.

Some of the main issues that we face, that I've highlighted in my handout, are affordable housing—we don't have subsidized housing out our way so much. When someone is in need of subsidized housing, unless they're a senior, it generally means that they have to leave their community, their family and their support system behind. Also economic development and employment: The types of jobs that are available to people living in the rural areas are very limited.

Then we come to our major barrier: transportation. How do you get there? It costs an arm and a leg to have a car and the gas to keep it going.

Then, of course, one of the main issues with our food bank is food security, making sure that there is access to nutritious, affordable food, and within a transportation radius that is reachable. For us, being on the ground, so to speak, we're very well aware that many, many people, not just people living in poverty, are two paycheques away from having to attend a food bank or looking at a severe financial crisis.

We also hear, in our association with various agencies—and largely because of this audit that we took part in, our Linking Hands project was developed and we were able to work with all the agencies in and around that serve us, that are basically located in Cornwall or city centres. But change has come about because of the meetings that we've held, some with Mr. McDonnell present, and listening to people who serve and being able to have services now available out in Winchester or locally. So there's some improvement there. But still, the transportation barrier to get to meetings and appointments, whether it's medical, whether it's—if you want to have housing, you have to go to Cornwall in order to fill out the papers. There are some definite barriers that way.

The high cost of hydro is highlighted over and over and over again, and this time of year, one of the main reasons why we see some people coming to the food bank is because they can't pay their hydro and buy food. As the winter goes on, we'll see this more and more.

We are very focused on the human journey. Anytime you're making a budget—and I'm an accountant; I understand budgets—I would like you to bear in mind that these are human beings on human journeys who are at their worst and in some place, for the most part, they never, ever thought they'd be, whether it's because of a medical concern or a loss or a family breakdown. To make getting help such a challenge, and often undignified, is a huge barrier and prevents people from coming. Many times, first-time clients are in tears when they have to admit what they're going through, particularly men. I just hope that in your considerations of how you look at programs and where you see the funding going, you bear in mind that this is also a human journey. Certainly, in working with agencies, we often hear that they are expected to do the same or more with less money in order to meet the needs of people that are living in poverty.

We also recognize, particularly as a rural culture, that poverty isn't just about money. It's about relationship. It's about not being isolated because you don't have a car and you don't have connections that you can actually reach out to and even talk about what you're going through with.

There are plenty of models out there—the social determinants of health. There are all kinds of statistical reports that indicate that some preventive type of funding would be much more beneficial than reactive, when it's already a challenge.

I think I've just about finished all I had to say.

The Chair (Ms. Soo Wong): Okay. So I'm going to start this round of questions with Mr. McDonnell. Would you like to begin the questions?

Mr. Jim McDonnell: Yes. Thank you for coming out, Pauline. We've met over the last couple of years: last year at our poverty reduction forum we had last February, and again in the summertime. I've heard messages not only from you but from many agencies about how, over the last five years—some of them, more than 10—they have not seen any increase in funding, but costs have gone up. Hydro has gone up, staff; of course, inflation goes up. So they've had to reduce staffing, and of course, the demand has gone up.

How do you deal with that? It's got to be a huge challenge.

1040

Ms. Pauline Pratt: Definitely. We're fortunate: We have a core of volunteers who help us in our services. The agencies—and I'm sure you've seen this—collaborate an awful lot together to try to fill in gaps and see where we can help and support each other. But we do see that things are falling off the table, and it's an awful feeling when you have to say no, when there's a program, a project that you would really like to do that you know would make a difference.

Mr. Jim McDonnell: Throughout just the last year, you've improved your facilities. You have—

Ms. Pauline Pratt: The drop-off area and the second floor, yes.

Mr. Jim McDonell: Yes, the drop-off area. You're looking for some help with a refrigerated area because you haven't got enough space now.

Ms. Pauline Pratt: Yes, for a walk-in cooler. Definitely, those are things—and our funding basically comes from our social enterprise. We do have a little bit of funding from the United Church of Canada and we have a Trillium grant right now for our Linking Hands project. But yes, we definitely are space-bound. We need renovations in some of our buildings to upgrade and—

Interruption.

Ms. Pauline Pratt: Sorry, that's my timer.

The Chair (Ms. Soo Wong): There are another three minutes for Mr. McDonell and Mr. Clark to ask you questions.

Ms. Pauline Pratt: Sorry. Yes, so we definitely need funding. A walk-in cooler is a definite. We have been very successful. The community is very supportive of the House of Lazarus. We're very well-known. Our fruits and vegetables campaign is pouring in, and we are out of cooler space for storing this. We see in the future that this is going to grow; it's not going to diminish. We actually have approximately \$16,000 right now that's been donated specifically for fruits and vegetables for our programs but haven't got the capacity to spend—we don't have the cooler. So, yes.

Mr. Jim McDonell: I've been up at your location a few times. I know the facilities are very modest. It certainly is a challenge, and I commend you for the work you're doing.

You talked about looking after 290 families. How has that grown over the last number of years?

Ms. Pauline Pratt: It does fluctuate. We are actually increasing right now. The 290 is from last year's statistics. I think we're currently sitting at 320 families. Just in January alone, to date, I think we've had five first-time new families, and we're seeing an awful lot of that.

One of the biggest impacts that we see is maybe not so much the number of families; it's the frequency. Several years ago, people would come one to three times a year. That was 65% with one to three times a year. Now, 60% of families are coming seven to 10 times a year.

The Chair (Ms. Soo Wong): Okay. I believe Mr. Clark has the last question for you.

Mr. Steve Clark: Yes. Pauline, just thanks very much for your presentation. Although you're associated mostly with Jim's riding, I know the good work that you do in rural Leeds–Grenville as well, so I want to thank you.

My Poverty Reduction Strategy meeting where I sent recommendations to the government basically mirrored Jim's, had many of the items that you've put in here about homelessness, emergency beds and economic development—but I want to touch on the transportation piece, because predominantly, we've got urban members here who, in the Legislature, talk about GO service, subway service and OC Transpo. In rural Ontario, like Jim and I represent, and like you cover, people need to use their car. That's their transit system. Do you have any ideas or recommendations for the committee on how the

government could better serve rural areas with assistance that would help your organization? Because I see it as a real failing of the government right now.

Ms. Pauline Pratt: Transportation—collaboratively, we are trying to look at different options. Certainly, even for employment, we are talking about, is there potential transportation from Winchester to Kemptville, where jobs seem to be happening? Just some local bus runs even from Morrisburg to Winchester, Winchester to Morrisburg and across. Even getting to medical appointments is also a challenge.

Again, we know we're rural, but we do have transportation companies out our way that are definitely interested in collaborating and finding ways to meet the need of our people out in our area.

The Chair (Ms. Soo Wong): Thank you very much for your presentation and your written submission.

KINGSTON SYMPHONY ASSOCIATION

The Chair (Ms. Soo Wong): Our next group is the Kingston Symphony Association, and I believe it's Andrea Haughton, who is the general manager. Good morning. Come on down. As you heard earlier, you have 10 minutes for your presentation and five minutes of questions from the committee members. This round of questions will be from the government side. You may begin any time. Please identify yourself for the Hansard. Thank you.

Ms. Andrea Haughton: Good morning. My name is Andrea Haughton and I am the general manager of the Kingston Symphony. Thank you very much for the opportunity to appear before you and present our case for sustained provincial arts funding. I believe strongly in this issue and appreciate you letting me take a portion of your time to present our story.

The Kingston Symphony has been around for more than 60 years and is an integral part of the Kingston community. We not only operate a professional orchestra made up of 45 musicians, but we also run an adult choir, youth orchestra and youth strings ensemble, and a string orchestra for amateur musicians. Our ensembles are invaluable community resources for young and old, amateur through professional. Together, we make a major contribution to the classical music scene in our city by presenting outstanding concerts and unique education and outreach programs. Orchestras are economic drivers, education partners, community builders, and a source of pride in towns and regions across the province.

The Kingston Symphony's revenue comes from a number of different sources. We receive 35% of our revenue from concert ticket sales, 42% from sponsors, donors and fundraising activities, and 23% from various government grants.

This season, the Kingston Symphony received \$70,000 from the Ontario government to support our operations. On a total budget of \$900,000, \$70,000 is a significant contribution. This money allows us to present works like Beethoven's 9th Symphony, which is expensive to mount

but involves hundreds of orchestra members and singers and is a beautiful piece of music that Kingstonians should get to hear live. The same is true of all of our traditional classical concerts and composers, whose work is important to the cultural life of Canadians, not just Kingstonians.

We also program new music, including works by Juno Award-winning local composers such as John Burge and Marjan Mozetich. These modern composers need an audience for their work and an orchestra willing and able to play it. The Kingston Symphony's record for commissioning, premiering and performing Canadian compositions is exemplary, and we are committed to providing our audience with opportunities to learn more about this new music. We regularly feature the work of Canadian composers each season.

Our pops concerts attract sellout audiences and provide an opportunity for many people to hear a symphony orchestra for the first time. Many audience members at the John Williams at the Movies concert we performed in November, for example, indicated verbally and on social media that they had never before been to an orchestra concert, but were excited to return.

Directly and indirectly, orchestras contribute to the economic vitality of their communities, supporting local businesses. For each Kingston Symphony event, the revenue streams for restaurants, theatre venues, parking lots, bars and babysitters are supported. It is important to recognize the economic contribution that arts events make in Kingston, specifically to the downtown core.

The Kingston Symphony's role is to enable music to flourish in Kingston. Our musicians are actively engaged locally not only in performing with the Kingston Symphony, but also in teaching privately at Queen's University, Royal Military College and St. Lawrence College, and in elementary and high schools throughout our region. The high quality of our programming attracts musicians to Kingston, and our commitment to musical development within our community makes it rewarding for them to stay. The Kingston Symphony is an integral part of the social and economic fabric of our community. We bring people together to make our city culturally vibrant and healthy.

Every year, performances by Ontario orchestras reach almost one million Ontarians directly. As one of the largest arts organizations in our region, the Kingston Symphony plays for thousands of people each season through our main concert presentations. The orchestra has also formed a number of partnerships with other organizations in our community, which further enriches what we can provide to those living in our city. One such partnership is the one we have developed with our local public school board, separate school board and Queen's University school of music.

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For over 20 years, the Kingston Symphony, along with the school boards and university, has developed a curriculum around a specially programmed symphony concert. Every grade 4 student in our area learns about the music through a series of lessons taught by university

music education students. The grade 4 classes then visit the Grand Theatre and hear the Kingston Symphony play the music they have learned about live. Each year, over 3,000 students and their teachers discover the instruments of the orchestra and learn more about different musical terms and styles.

We are very proud of this education program. Comments from teachers, parents and students indicate the experience is both a great learning event and a life-changing one for many.

As the committee considers the budget for the upcoming year, I am here to highlight the critical importance of Ontario public funding in the arts and demonstrate the efficiency and effectiveness of the money that is invested by the province. I understand the context of Ontario's finances and the government's commitment to eliminating the deficit by 2017-18.

Ontario's investment in the arts needs to be sustained with a view to growing it commensurately with the economy. A relatively small investment in an orchestra can leverage significant economic growth.

In Ontario, in 2011-12, orchestras spent \$67 million in their communities. Over 70% of these expenditures went directly to people in wages and fees.

The Kingston Symphony employs two full-time and four part-time staff and hires at least 45 musicians for each concert. These people make their homes in the Kingston community and contribute to the local economy in a number of ways. At least 80% of the money we spend each year stays in the Kingston community, which in turn generates significant tax revenues.

We are also fortunate to have over 500 volunteers who work tirelessly for our organization. From raising funds to supporting the operation of the Kingston Symphony to providing financial awards for deserving young musicians in our community each season, our volunteers are committed to making sure our orchestra thrives.

The Ontario Arts Council is the best vehicle for arts investment. The Ontario government, through the Ontario Arts Council, contributed just over \$4 million, or 6% of a typical orchestra's revenue base.

As I mentioned earlier, the Kingston Symphony received \$70,000 from the Ontario government, or about 7% of our budget. The amount is not only critical to supporting our work; it is also critical to leveraging other resources, including support from the federal and municipal governments, corporate sponsors and donors. It also makes a strong contribution to the quality and operation of orchestras, the critical factor in attracting supportive audiences.

Given all these benefits, both culturally and economically, we ask you to consider sustained arts funding a priority. Thank you very much for your time.

The Chair (Ms. Soo Wong): Thank you very much. This round of questions, I think Mr. Fraser's going to ask you the questions.

Mr. John Fraser: Thank you very much, Ms. Haughton, for your presentation. You have told your

story very well and made some very compelling arguments to sustain funding.

As you can see through the government's past record, we have sustained arts funding through some really significant financial challenges that we continue to face. So if that's any comfort this morning—I hope that is of some comfort to you.

I do want to ask you: How many people just inside your community do you figure that you touch? Have you ever done that kind of—

Ms. Andrea Haughton: We have tried. The population of Kingston is about 120,000, so we draw from that area and some of the surrounding areas. We have about 15 concerts each year, and we target about 25,000 people in those. Then through our education outreach programs, we tour in different schools, and our musicians go out in different capacities. So that's probably another—

Mr. John Fraser: Yes, and your ticket sales are about 25,000. That's what you just—

Ms. Andrea Haughton: Oh, sorry. Our ticket sales, of our budget, is about—

Mr. John Fraser: No, just the number of people attending concerts.

Ms. Andrea Haughton: Usually around 20,000 people each year.

Mr. John Fraser: In terms of the level of community support that you have, it seems to be fairly high. It's 25,000—

Ms. Andrea Haughton: It does. We're very lucky, but we're always working hard. Our resources are spread thin, but I think we do a very good job at trying to attract many people and involve many people from all of the different demographics. We're lucky to have a university and a college in Kingston, so we're able to attract the faculty and students. Kingston is also a fairly large retirement community, so we have a number of people from that demographic who attend.

Mr. John Fraser: You have a connection with most of the schools at the elementary level.

Ms. Andrea Haughton: We do. We have really developed that in a number of our different programs, trying to encourage youth to attend, as well as the faculty and staff.

Mr. John Fraser: I know that Orchestras Canada is something else that we support provincially.

Ms. Andrea Haughton: Yes.

Mr. John Fraser: How do they connect with your organization in terms of support or—

Ms. Andrea Haughton: Orchestras Canada is our national service organization. They're advocates for us. They provide a number of resources for orchestras across the country to use. They don't fund us but provide a lot of resources that we are able to—

Mr. John Fraser: From the federal government level, I take it—how do they support the arts or support culturally?

Ms. Andrea Haughton: The Kingston Symphony receives money from the Canada Council for the Arts each year. We're on a similar funding track—a multi-

year funding track—like the Ontario Arts Council. We receive money through the classical music program there.

Mr. John Fraser: That's great. Thank you very much.

The Chair (Ms. Soo Wong): I believe Ms. Vernile has a question for you.

Ms. Daiene Vernile: Thank you very much for coming and informing us of the important work that you do, Andrea. I'm a great lover of classical music. I studied classical violin as a child, up into my teens, except for one unfortunate week when I played the cello, but then I realized that lugging that thing home through the snow, through two kilometres uphill both ways, was not a good thing, and I went back to the violin.

You talked about outreach with children, and this is very important. The thing about classical music is that you do have a core group that will love what you're doing and are devoted to you. Beyond the kids, is there anything else that you can do, or are doing, to reach a greater audience?

Ms. Andrea Haughton: Specifically for targeting youth, students and young professionals, we have a program where we partner with different organizations within our community, as well as corporate sponsors, to offer reduced ticket prices for anyone who is 35 years old and under. People can sign up for free. You can come to a Kingston Symphony concert for \$10 and experience it.

We try to have different events as well, where these members can meet the conductor, meet musicians, so that they get to know what is behind the scenes; it's not just going and sitting in a concert hall. They experience everything.

Ms. Daiene Vernile: Do you find, too, when you have one of these concerts where you offer pop music or John Williams's music, that you can reach those people and draw them back in when you're having the classical music?

Ms. Andrea Haughton: We have noticed that. It has been sort of an uphill battle, but definitely, we've noticed a good return on that.

The Chair (Ms. Soo Wong): Thank you very much for your presentation this morning, Ms. Haughton.

Ms. Andrea Haughton: Thank you.

BERGERON ELECTRIC LTD.

The Chair (Ms. Soo Wong): The next group is Bergeron Electric Ltd. Are they here? Come on down, Mr. Bergeron.

Good morning. Welcome. Yes, you can sit anywhere. There's a microphone on right now, as you see. You have 10 minutes for your presentation, sir, and five minutes for questioning from the committee members, and this round of questioning is from the official opposition party.

You may begin at any time. Please identify yourself, as well as what position you have with this particular organization. Welcome. Thank you.

Mr. Ron Bergeron: Thank you. Good morning, ladies and gentlemen. My name is Ron Bergeron. I'm an

electrical engineer and electrical contractor in Cornwall. I believe you have a copy of the presentation, right? Okay.

Some \$2.7 billion is wasted every year because of the Green Energy Act. This conservative figure was forecast in the Auditor General's report of 2011. The AG's 2014 report confirms this loss. Contracts are for 20 years, so that's a minimum of \$54 billion. As Ontario doubles the amount of connected wind capacity, that amount will likely double to some \$100 billion, and it will get worse as more is connected. The Fraser Institute estimates that the green energy costs could reach \$38 billion a year in wasted money—per year—if all of the coal-fired systems are wind-generated.

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Why is this happening? It's the word "green." People want to look righteous. Unfortunately, people get so excited about "green" that they lose common sense. It becomes like the lemmings rushing to the sea. This stands in the way of serious analysis. AG 2011 infers clearly that all technical and economic analysis was ignored in awe of the word "green."

The act was proclaimed for three main reasons: (1) to attract investment in renewable energy, (2) to increase job opportunities, and (3) to reduce greenhouse gas emissions. Well, let's look at the results.

It did attract investors. The response was overwhelming. Investors were salivating, because return was calculated at 11% after tax on equity. That's 11% guaranteed for 20 years—certainly much better than GICs.

Second, we have to consider that Ontario's economy does not function in a vacuum. Competition is worldwide. Places like China, India and eastern Europe are putting in place the least costly energy systems, mainly coal-fired. As for more jobs, well, other jurisdictions have shown that most jobs are temporary construction jobs. As for permanent jobs, for every job created, two to four jobs are lost in other sectors of the economy because of higher electricity prices.

Third, it does reduce greenhouse gas emissions, but is it a meaningful reduction? Could it have been accomplished by other means? How much do people want to spend to accomplish this? Wind power must be backed up nearly 50%—some say even 80%—by spinning gas-fired systems in case the wind drops. This results in greenhouse gas emissions.

The DSS Management Consultants report to the Ministry of Energy, as summarized by the Fraser Institute, never recommended renewable power. It outlined a plan of pollution control methods which would have yielded the same environmental benefits as the act, but at a tenth of the current costs. The proof is in the pudding.

Saskatchewan started several years ago to apply technology to reduce harmful emissions from coal-fired power plants. This was completed for \$1.4 billion. Compare that to the cost we're looking at: over \$100 billion in Ontario. European Commission reps who viewed this said that they were very confident in the technology. Saskatchewan does not plan to phase out coal, even though it's 50% of their power.

AG 2011 states that people are prepared to pay modest increases for renewable electricity; only 27%, though, would agree to an increase in their electricity bills of more than 5%. So for all the talk about removing pollution, people won't walk the talk.

A little history for you: I am an electrical engineer, since 1966—it has been a long time—and an electrical contractor since 1971. I have served on provincial committees with contractors, inspectors and utility reps, and for five years I was on the board of Cornwall Electric, a local utility that buys power from Quebec and/or the United States. It's not connected to Hydro One. I know the complexities of electricity, and I have to be practical because of the realities that I face each day.

In 1993, we at Cornwall Electric were going to build a gas-fired generator in Cornwall. New York state had just implemented a green energy approach where all power generated by small water turbines had to be purchased by the utilities. Because there was so much extra power, we were able to purchase their excess power at a very low cost. We cancelled our project. We paid \$1 million in penalties and we still saved our consumers over \$20 million.

One might think Ontario would have learned something from that experience 20 years ago, but no, the same situation is repeating itself in Ontario.

The Ontario Society of Professional Engineers published an article stating: "The public is paying for its own generators to produce power it doesn't need and then paying its neighbours to take ... electricity off its hands.... This happened in 2011 and will get worse...."

The criticism doesn't just come from me. It comes from many sources, including two Ontario Auditors General, the OSPE, a former CEO of the Ontario Power Authority, and the Fraser Institute.

There have been green energy struggles and failures in other countries as well. Germany, which was the poster child for green for many years, is now struggling with high electricity costs, \$25 billion a year in subsidies, and it's burning brown coal at its highest level since 1990. In spite of these green policies, greenhouse emissions have increased. In Europe, coal power has risen rather than fallen.

Please stop telling us about revenues from exported power without also mentioning the cost. The reality is between 2006 and 2013 the costs exceeded the revenues by \$2.6 billion. Do we really want to go broke closing five coal-powered plants when other countries competing against us are building some 1,200 more?

In China, actually, they are going to be building one power plant every 10 days for the next 10 years or are finding cost-effective solutions to reduce emissions the way Saskatchewan is, and also Denmark, with its Avedøre power station.

It's mind-boggling that people are paid not to produce electricity. They have a word for this: curtailment. Add insult to injury: We deliver power below our costs to the US, one of Ontario's major competitors, all in the name of green.

The single biggest issue is unrestricted access to the power grid by green energy. The power grid is a system that balances input and output of energy. There are no storage systems; the technology is not there. There is nothing available worldwide. All other sources of energy—hydraulic and nuclear—are managed as part of an integrated system. Green energy, though, creates an unstable situation because it has unrestricted priority.

The president of the engineers' energy task force states: "Green energy is appropriate for Ontario ... with sound engineering...." Technically, we need to "better plan the mix of various forms of energy production and limit their maximum contribution to the grid to what can be tolerated by the other existing facilities."

Right now, green energy investors make a lot of money—

The Chair (Ms. Soo Wong): Mr. Bergeron, can you wrap up your presentation, please?

Mr. Ron Bergeron: We're wasting tens of billions of dollars. My recommendations are:

—Do not approve any more wind or solar systems.

—If you go ahead anyway, the system must be controllable by the Independent Electricity System Operator.

—For systems approved but not connected, stop the connection and buy them out.

The Chair (Ms. Soo Wong): Okay, Mr. Bergeron, I'm going to turn to the opposition party to ask you some questions. Mr. McDonell, you want to begin the questioning?

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Mr. Jim McDonell: Just to read out your last point: "Develop a plan with a systematic approach that balances our need to minimize pollution, with the resources available, without compromising our economy in today's competitive world."

You bring up points that are clearly not a secret. We're looking at results here that have driven our manufacturing industry out of Ontario. We just heard from the House of Lazarus, where people are coming in and can't afford the hydro bill. We had a couple of poverty reduction meetings last year. Agencies are dealing with people every day who can't afford the hydro bill.

Why would a government do this? Do you have any explanation of why they would blindly move ahead with this?

Mr. Ron Bergeron: The only thing I can say is, it's happening around the world. People are getting caught by the word "green." If it were just energy, as an act, then I think the whole process would be approached differently. Look at what Saskatchewan has done or look at what Denmark is doing.

As an engineer, I'm looking for it to be systematic so that we can continue to have electricity at a decent cost. I'm looking at all the wasted money. I see a need for money for taking care of more health care for senior citizens and I'm asking, "Why are we wasting this money?" There's no need to. We can stop it now.

Mr. Jim McDonell: You look at some of the costs here. You're talking about \$54 billion, which is really the ask we're doing for our transit systems right across this province.

I noticed you talked about Germany being the poster child, but their subsidies are less than half of what we had in Ontario under our Green Energy Act. If you happen to get lucky enough to get a project up here, you're making out like a bandit. It's 11%, compounded over 20 years.

Mr. Ron Bergeron: We've seen that. When we put a lien on one place where we did some work, the lien was settled like that, because the investors couldn't wait to get their money. It was just unbelievable, watching it.

I'm thinking that this whole thing needs to be reviewed, and somebody needs to say, "Stop."

Mr. Jim McDonell: Now, in 2011—you talk about a report by the engineering society. If I remember from that report, they also talked about, technically, our system not being able to handle the inputs from the green energy, as you kind of alluded to, because of the cost, and now we're paying a penalty to sell it.

Mr. Ron Bergeron: Technically, Ontario spent \$2 billion, which doesn't show up in these numbers, to fix the power grid to accept the power.

We're also seeing in places, especially in southwestern Ontario, when you get the sun on a cloudy day, as it goes through our solar system—the transformers are not far away. All of a sudden, it's like a water hammer hitting them. You will hear a very distinct "boom" hitting these things. Physically, the system is really getting hit hard, because it's uncontrolled access. That's the problem.

But you're not going to get investors, so I'm thinking it's better to drop the investor bit and do what I believe China is going to be doing. They're going to be doing some green energy. Believe it or not, they consider nuclear as being green.

Mr. Jim McDonell: I know that you talked about the Cornwall Electric experience—\$1 million in penalties, but they saved their customers \$20 million. The same types of numbers are available here if we reverse course with Ontario Hydro. We're now talking about a carbon tax on this. I think the part that we're missing here is, if the world was moving in unison with this type of approach, it might have some logic. But when we try to do it alone, a carbon tax on our manufacturing sector and our businesses only drives them further into being more uncompetitive and reduces their job numbers here. That impacts, of course, food bank support. It just makes no sense.

Mr. Ron Bergeron: I can't comment on the carbon tax. I know that there are many sources of pollution. You want to look at vehicles, a classic one—

The Chair (Ms. Soo Wong): Mr. Bergeron, your time is up. Thank you very much for your presentation, and thank you for your written submission.

Interjection.

The Chair (Ms. Soo Wong): Time is of the essence, sir. Sorry.

NATIONAL COALITION AGAINST CONTRABAND TOBACCO

The Chair (Ms. Soo Wong): The next group coming before us is the National Coalition Against Contraband Tobacco. I believe Mr. Gary Grant, the national spokesperson, is here. Mr. Grant, welcome.

Mr. Gary Grant: Good morning.

The Chair (Ms. Soo Wong): Good morning. Mr. Grant, you have 10 minutes for your presentation, followed by five minutes of questions from the committee. This round of questions will be from the third party. You may begin any time. Please identify yourself for Hansard, please.

Mr. Gary Grant: My name is Gary Grant. I'm the spokesperson for the National Coalition Against Contraband Tobacco, or, as we will call it in this presentation, the NCACT. Our 17 members are businesses, retailers and other organizations that are concerned about the social and criminal impacts of contraband tobacco in Canada. Our aim is to raise awareness about the problem of illegal cigarettes and work with governments to address the trade.

Ontario has the worst contraband tobacco problem in Canada, something that the provincial government has recognized as recently as in the fall economic update. In fact, an average of one in three cigarettes purchased in 2014 was illegal; that spiked to 40% of cigarettes sold in October. Indeed, illegal cigarettes produced in Ontario have begun to be smuggled to other provinces as well, such as Manitoba.

What is contraband tobacco? Cigarettes that don't comply with government regulations in regard to manufacture, sales and distribution. They're extremely cheap, a baggie of 200 cigarettes often costing less than a movie ticket, or one tenth the price of legal product. It is sold through a criminal distribution network—a drug dealer system, really—that connects cigarettes to kids without the hassles of checking for ID. This dangerous combination of low price and easy accessibility has made illegal cigarettes a prime source for youth smoking. In fact, a study by the Centre for Addiction and Mental Health flagged the easy accessibility of contraband tobacco as a major reason for Ontario's stubbornly high teen smoking rate.

Preventing youth smoking and cutting off funding to organized crime are reasons enough for government to take action against contraband, but there are also important impacts to the public purse. In fact, the Drummond report highlighted contraband tobacco as one of the areas that Ontario should address when battling the deficit.

In 2013, the Canadian Taxpayers Federation, a coalition member, released a report estimating that the overall contraband tobacco trade in Ontario cost an estimated \$689 million to \$1.1 billion in lost tax revenue in 2011 to both the federal and provincial governments. This adds up to an astounding estimated \$3.4 billion to \$5.5 billion over the last five years. That's a lot of money, particularly in an era of fiscal restraint and budget tightening.

One of the most important aspects of the NCACT is making sure that the public understands the impact of illegal cigarettes, something that many Ontarians may incorrectly view as a victimless crime. The fact is, illegal cigarettes fund some of Canada's least desirable elements. The RCMP estimates that contraband tobacco is the cash cow of more than 175 criminal gangs, who use the proceeds to finance their other activities, such as guns, drugs and human smuggling.

In this regard, it's fitting that we are in Cornwall today, which is located at the heart of Canada's contraband problem and offers a tangible example of the harms that the trade brings. Cornwall Island is at the heart of illicit cigarette production in Canada, with the RCMP identifying dozens of illegal cigarette factories operating on both sides of the border. A single factory can produce as many as 10,000 cigarettes a minute. That adds up to millions and millions of cigarettes produced in this area each and every year.

The profits from these illegal sales all end up in the hands of criminals. In fact, the RCMP have identified about \$100 million in suspicious financial transactions over a six-year period from a similar contraband production hotspot in Quebec. That's a lot of money from what is currently a very low-risk enterprise which gangs use to fund other illegal activities including guns, drugs and human smuggling. In fact, in late December, Ottawa police identified this region as a primary conduit for the flow of illegal guns, which led to a record number of shootings in Ottawa last year.

We've also seen how the criminals in the trade work to protect their operations and terrorize nearby communities. The RCMP has had to repeatedly warn snowmobilers in the Cornwall area, most recently in December, to watch out for booby traps set by the criminals that smuggle cigarettes in the area. There have been numerous other cases of direct intimidation of law-abiding citizens in the area by the criminals that smuggle cigarettes across the St. Lawrence and then through private property.

Every illegal cigarette sold in Ontario represents a loss to the provincial treasury, which is trouble enough. But as you can see, the social harm is much deeper. Contraband brings with it troubling consequences that demand action.

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So what can the Ontario government do? Unfortunately government action against contraband tobacco has so far been big on commitments and light on action. In each of the last three budgets, the government has committed to introducing new actions against contraband tobacco, but not actually followed through. In fact, the government has even proposed some measures that will make the problem worse. A ban on menthol tobacco announced in November will, if no other real action is taken against contraband, be a boon to the illegal industry. The NCACT has identified about 30 illegal menthol products currently available in Canada—more than the legal market. If contraband is not under control before the ban

comes in place, Ontario could see more than 300 million cigarettes move to the illegal market each year.

We believe that there are a number of straightforward and common-sense actions that government can take in this budget that will have a real effect.

First, it is worth noting that, through 2011's Bill 186, Ontario has introduced fines for possession of contraband tobacco which could and should be a useful tool for discouraging consumption of contraband tobacco. As an example, possession of a single pack of illegal cigarettes can net a fine of \$108; a baggie \$184; and five baggies almost \$700. Unfortunately, these fines are infrequently enforced and not very well publicized. Fine-based deterrents are only as effective as they appear to be a real threat to consumers. Ontario would do well to increase public awareness and enforcement of these fines in areas where contraband sales and use are the most prevalent.

Along the same lines, it is important that Ontario follow through on oft-promised commitments to introduce new anti-contraband tobacco enforcement measures. The coalition would encourage Ontario to adopt measures similar to those successfully introduced in Quebec. There, starting with 2009's Bill 59, municipal police forces are able to investigate and prosecute contraband tobacco offences as well as the provincial police service there, even allowing municipalities to keep the proceeds of the fines. Ontario took a cautious first step towards this in 2011 when police were given the power to seize contraband and fine those caught with it in plain view during traffic stops. But police need more powers to be truly effective. We should be looking at best practices of other jurisdictions.

Ontario must also do more to curb the supply of illegal cigarettes at the manufacturing level. Illegal factories in Ontario can produce millions of cigarettes a day; a key element of reducing this is making manufacturing materials harder to get. New regulations governing raw leaf tobacco that came into effect on January 1 are a first step. It will be important to monitor how effective they are at stopping the diversion of Ontario-produced tobacco to the illegal market. Unfortunately, illegal manufacturers have not been limited to Ontario-grown tobacco—smuggling tobacco for illegal cigarettes in from the United States or overseas.

We recommend that Ontario expand its efforts to curb contraband tobacco supply by implementing regulations for other tobacco manufacturing materials, such as filters or industrial cigarette manufacturing machines. Filters are a prime example. The material used in them, acetate tow, is manufactured only by a few companies globally and cannot be easily replaced by another substance. Again, this is in contrast to loose-leaf tobacco, which can be smuggled from any number of places.

Government regulation of filters and acetate tow, in the same manner as Ontario is pursuing for loose-leaf, would go a long way to curb the manufacture of illegal cigarettes, perhaps even more so than the loose-leaf regulations. If the government is serious about reducing illegal cigarette production, it is an important step.

In conclusion, illegal cigarettes are a scourge on our communities. They fund organized crime. They facilitate youth smoking. They shortchange taxpayers a phenomenal amount of money. There are clear and straightforward steps that Ontario can take to address this problem, which will hurt organized crime, make our communities safer and help the budget's bottom line. The only losers in this equation are the criminals involved in the trade. I hope that we will see this reflected in the next budget. Thanks for your time.

The Chair (Ms. Soo Wong): Thank you very much, Mr. Grant. Ms. Fife, you want to begin the questions?

Ms. Catherine Fife: Thank you very much, Mr. Grant, for coming in and sharing your concerns around cigarette smuggling and selling. I was there when the minister highlighted this issue in the economic update. It was a bit like Groundhog Day because it's been part of the discourse or debate around the economic update and budgets going back several years now. I think your association has made some very good suggestions around curbing tobacco supply at the source, but it really does come down to enforcement, I think.

Do you want to comment on the federal Bill C-10 and how it is working, or if it's working, and then perhaps talk a little bit about Quebec and why Quebec has been more successful than Ontario in curbing contraband?

Mr. Gary Grant: Certainly. Bill C-10, which has received royal assent and passed through the House, has not been enacted yet. We're waiting for it—hopefully, any day. It will make the possession of contraband tobacco for the purpose of trafficking, or trafficking in contraband tobacco, a criminal offence. Hopefully, that will have an impact when some Criminal Code convictions are registered, but we'll have to wait and see about that.

We think it was a long-overdue action on the part of the federal government that, theoretically, would allow all police services to enforce the Criminal Code, whereas now, we've sidelined most of our police officers in Ontario in dealing with the contraband problem.

Municipal police officers, or provincial police officers, are the vast majority of police officers policing this province. The RCMP are only a fraction of them. But it's only the RCMP and the Ontario revenue officers who can take a case and bring it through court for contraband tobacco. Police officers from cities and provincial police officers, if they make a big seizure of contraband tobacco, basically have to sit and wait until an RCMP officer or a revenue officer shows up to take the case over.

That is dysfunctional, as far as policing is concerned. As a 40-year veteran of Toronto Police Service, I know that your hands are tied when you have to just sit and babysit something until another agency takes over.

Ms. Catherine Fife: Yes. What's the reluctance, then, to empower municipal police forces?

Mr. Gary Grant: That's our question: What is the reluctance?

Ms. Catherine Fife: It's a good question, so we'll make sure it's—

Mr. Gary Grant: Bill 159 in Quebec has authorized provincial police officers and municipal police officers to not only stop and seize contraband tobacco that's in plain view, like Ontario's Bill 186 does, but to conduct their own investigations and, when they make a big seizure—or any type of seizure at all—to take that case and bring it through court and see it from start to finish. It builds a commitment and a buy-in from the police services—certainly, in my view—that they would be looking at a problem in their community and they can do something about it.

Of course, another big feature of Bill 159 is the fact that the money from the fines goes back to the municipalities, which helps fund more contraband enforcement. I've been speaking to police chiefs across the province. One of the big problems they have is their lack of resources—their priorities and whatnot—and they just don't have the funds to develop new initiatives for contraband—

Ms. Catherine Fife: So they would be motivated, then.

Mr. Gary Grant: I've spoken to many of them, and they certainly like the idea of being able to conduct investigations themselves and being able to fund, if you will, mini task forces to deal with the contraband problem.

Ms. Catherine Fife: Okay. The finance minister has quoted the contraband dollar up to closer to \$1 billion. You said \$689 million to \$1.1 billion. As you point out, that's a huge amount of money, and it actually seems to be growing.

I do want to thank you for raising the unintended consequences. I don't think, when the government banned menthol cigarettes, that they thought they would be creating a whole new market on the contraband cigarette side. I want to thank you for raising that, because there are often unintended consequences to legislation.

Around the specific budget for 2015, can you articulate very clearly what you would like to see this committee move forward with around contraband?

Mr. Gary Grant: If I could pick out a couple of things right now, I'd like funding earmarked for a Bill 159 type of legislation in Ontario. Why not look at best practices? Certainly, right now, in my viewpoint, Quebec has achieved success in their contraband rates, and with their budget, with Bill 159. Why not look at that and try to implement that?

I think spending money to regulate things like the cigarette filter material—you can't make the cigarettes without it. Let's see where it's going. Let's see who's doing it.

The other thing I would like to see personally is a public awareness campaign. Many parents do not think that their children can get cigarettes in Ontario, because of the fact that you can't buy them in stores and whatnot. They feel they're protected. They don't realize that they can buy them from criminals, and not only buy cigarettes, starting at 11 or 12 years old, for the price of a movie ticket, but maybe get other things as well, like some

drugs and some booze and, heaven forbid, even a weapon. Also, this brings up the teen smoking rates and teaches the kids that it's okay to break the law. So I'd like to see a public awareness campaign as well.

The Chair (Ms. Soo Wong): Thank you, Mr. Grant, for your presentation.

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SOCIAL DEVELOPMENT COUNCIL OF CORNWALL AND AREA

The Chair (Ms. Soo Wong): Our next group coming before the committee is the Social Development Council of Cornwall and Area: Mr. Alex de Wit, the executive director. I think the Clerk has something to hand out to all of us.

Mr. de Wit, you may begin. Please identify yourself for Hansard. You have 10 minutes for the presentation. This round of questions will be coming from the government side. Okay? Thank you. Welcome.

Mr. Alex de Wit: Hi. My name is Alex de Wit. I'm the executive director of the Social Development Council of Cornwall and Area. I'm going to talk to you about the poverty initiatives in Ontario. I'm also going to talk to you about social planning councils in Ontario and the social determinants of health. But before I do that, I'd like to tell you about myself and my own background, because I think it gives you a little bit of insight into my personal beliefs and motivations and will hopefully help you guys understand where I'm coming from.

Before I worked for the SDC, I had the privilege of working for two members of provincial Parliament. I worked for Jim McDonell, and before that, I worked for Jim Brownell, the former MPP. In that time, I worked in the constit office. I took care of the normal constituency assistant stuff: the MTO issues, birth certificates, what have you. I saw the speaking notes; I saw policies succeed and other policies fail as is normal government.

But throughout the whole time, I had a folder in my desk filled with the files that we had to say no to, the files where we had to say, "I'm sorry, there's just nothing we can do for you. It's not a federal issue. It's not a provincial issue. It's not a municipal issue. There are just no services in this community that can deal with this." These are the files that kept me up at night. I'm sure that if you went to your own constit offices and asked around, your constit assistants could probably find one or two of these issues.

So when the opportunity came up for me to work for the SDC, I jumped at the opportunity, because it allowed me to work on those issues. What I do now with the Social Development Council of Cornwall and Area is, I focus on poverty reduction in the community. I work, again, on general poverty reduction issues. We work with the House of Lazarus, which was here earlier today, quite a bit, as well as the family services council in the community, which I believe was here earlier this morning as well.

We're a pretty generic set-up in terms of what social planning councils do across Ontario. The role of social planning councils is generally advocacy, social policy analysis, public awareness, applied research, community organization, community problem-solving and information-sharing. Specifically, we tend to do that by focusing—in the past, we focused, rather—on issues such as affordable housing, transportation, food security, general poverty reduction, employability and special interest projects that directly affect the communities that we work in.

You might be asking how we do those things. We do them through something called place-based policy. The central concept of place-based policy is that the efforts to address social challenges are most effective when they are engineered specifically for the social-geographic contexts in which they occur. Effective action is rooted in the local context, and the one-size-fits-all solutions fail to appreciate local nuances. It is through a deep knowledge of and link to a community, its residents and the internal and external influences upon them that the impact of interventions can be maximized. Core characteristics of place-based policy initiatives include being comprehensive, strategic, long-term, holistic, participatory, multi-sectoral, synergistic, developmentally inclusive, evidence-based and non-partisan.

You can see examples of this in the trend of down-loading responsibilities for social service financing from federal to provincial and from provincial to municipal governments. In some cases, the shift in responsibility is not necessarily undesirable, so long as it is accompanied by a shift in funding. It can lead to innovative solutions and often does. However, one of the more serious obstacles currently facing Canadians engaged in poverty reduction is a fiscal imbalance between what municipalities are funded to do and the expectation placed on them by residents and other levels of government. It is for this reason that my first recommendation for the committee is to consider further analysis of the expectations placed on poverty reduction initiatives in Ontario in relation to the funding allocated to sustain these initiatives.

Going off script a little bit, I'd like to mention the poverty reduction fund and that it's really appreciated. It's a great first step in terms of poverty reduction in the province of Ontario. The \$50 million over the next five years is great. It works out to \$10 million over the next five years. Spread that over 107 ridings, and you've got \$94,000 per riding. Take off an administrative fee, and you're talking closer to around \$80,000 per riding over the next five years, which is great. I'd like you to think about what you could do with \$80,000 in your riding. That's kind of the expectation that I'd like you to place on the poverty reduction fund.

With that in mind, I'm going to keep moving along with my script here. One of the central characteristics of place-based initiatives is inclusive participation—not just the local organizations, but also to community members, particularly the demographic that is the focus of an activity. The emphasis on community participation in

social policy development embeds the local economic, social and historical influence in the resulting policies, and it reinforces the sense of cultural, social and civic identity.

By structuring social inclusion as a central component of the planning and implementation of social policy initiatives, through hosting extensive consultation and providing ongoing opportunities for participation, there will likely be a stronger sense of local ownership and a greater probability of long-term success. Other benefits of social inclusion and participation are increased legitimacy of decision-making and priority-setting, and a more democratic society overall, in which individuals are empowered to contribute significantly to the strength of the community.

The biggest issue facing all social planning bodies across Ontario is the need to secure sustainable funding on an ongoing basis. Many of the social planning councils in Ontario are one- or two-person organizations where a small amount of sustainable funding can go a long way. This is especially true in rural communities where the resources are fewer and farther between.

It is for this reason that my second recommendation to the committee is to ensure that sustainable funding is provided for social planning councils, to produce place-based initiatives that reflect the goals of the provincial government on an ongoing basis.

I'd like to talk briefly now about the social determinants of health. The social determinants of health is a theory in health that's becoming more and more acknowledged and respected throughout the community. Traditionally, the perspective was that health outcomes were dependent on personal behaviours: whether or not a person smokes, whether or not someone consumes alcohol, how they eat, how they exercise—and genetics, among other things. However, studies have demonstrated a significant correlation between social indicators and individual health outcomes. Examples of personal social determinants include education levels, socio-economic position, family background, income, stress, childhood development, gender, ethnicity and age. Other systemic indicators may be access to food, shelter and transportation; availability of work; the extent of social exclusion; and the societal distribution of power, wealth and resources, including the systems that lead to or facilitate the continuation of those distributions—which is to say that health is more than just medical care.

Bridging multiple sectors and bringing together multiple actors to implement holistic solutions to social problems has the capacity to achieve greater outcomes than individual organizations. A multi-sectoral approach is better positioned to address the interconnected causes and manifestations of poverty and other social challenges, where efforts and activities in one area are more likely to achieve success when they are linked to complementary or supplementary efforts in other areas.

Collaborative strategic planning and project implementation from multiple actors can certainly be challenging. Co-operation often requires finding a compromise

for divergent visions, practices and expectations, to avoid gridlock. Collaborations also need to be focused and purposeful. While there is no ideal type of model for community collaboration, it is common for there to be a strong community organization to take a lead role in co-ordination, government involvement—potentially at multiple levels—local service providers, and often individual activists. Social planning councils are ideal organizations to act as the lead coordinator in this arrangement. Ideally, there is strong representation by community members with lived experience to inform the strategic planning process in the development of these projects.

It is for this reason that my third and final recommendation to the committee is to encourage provincially funded organizations to work collaboratively on local issues relating to and influenced by the social indicators of health.

In conclusion, social planning councils play a key role in actualizing community well-being and resiliency. Social planning councils address the issues linked with the social indicators of health, place-based policy initiatives and are an essential part of a healthy community. We also play a key role in designing successful social policy as we act as connectors working across our communities to ensure multi-sectoral and bipartisan responses to local and provincial issues.

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The Chair (Ms. Soo Wong): Thank you very much, Mr. de Wit. I have Mr. Baker, who is going to begin the questioning from the government side. Mr. Baker?

Mr. Yvan Baker: Thanks so much. Thanks so much for coming in. Before I start off with the questions, I just wanted to congratulate you for taking what you learned in a constituency office and applying it to the community in such a productive way. We all have constituency offices, obviously, but I know a number of us have worked in a constituency office, myself included, and I can certainly think of those files that, boy, I wish I could have been able to solve then. So I can appreciate what you're talking about and the number of challenges out there in the community that need to be tackled. Good for you for taking this on.

Mr. Alex de Wit: Thank you.

Mr. Yvan Baker: Quickly: You made a point around making sure that there is adequate funding available to municipalities. I know that you're probably aware the government is uploading quite a number of services from municipalities. I'm thinking of things like ODB, ODSP, Ontario Works. I take what you say under advisement, but I just wanted to highlight that point as we think about the broader picture around that. There is certainly a recognition of what you are talking about.

Can you talk a little bit about the Poverty Reduction Strategy the government has put in place? There are a number of elements to that. Some of it is around increasing minimum wage. Some of it is increasing social assistance rates. Can you talk about that? What is your view on that? How important is that?

Mr. Alex de Wit: Again, I applaud it. It's a great initiative. I think it's a great first step, in terms of poverty reduction. I think it's going to take a lot more than what's currently in that document, or in that act or in that plan, over the next five years.

Like I said, when you break it down to how much money is going into each individual community and to each individual riding, you're really talking about a budget of about \$80,000, which works out to one person's salary, maybe two people on part-time, something like that. That's not including the funding going to specific initiatives and spreading out that way—so just kind of how you want to deal with that and going forward from there and what the effectiveness of that funding can or cannot be.

Mr. Yvan Baker: One of the recommendations you spoke to, and you have in your submission, is—I'm just reading from your submission—"to ensure sustainable funding is provided for social planning councils to produce place-based policy initiatives that reflect the goals of the provincial government on an ongoing basis."

From your perspective, what would sustainable funding look like? Basically what I'm asking is, how much do you think we're talking about?

Mr. Alex de Wit: Realistically—again, I can only speak for my own organization. I run the Social Development Council of Cornwall and Area on a budget of roughly \$70,000 a year. We're a one-person organization. I'm the only paid employee of the organization. I think the work that I do is effective to the extent, again, based on only one person working.

I have worked on a lot of projects. I know that Pauline Pratt, who spoke earlier—I read a little bit from the reports that I had written with her; a lot of what I took today was from that work as well. We do work a lot on issues. Like I said, employability—in the spring, we'll be hosting a job fair. We work on poverty reduction analysis.

One of my major things that I'm particularly proud of working on right now is in collaboration with the Cornwall Community Police, the local children's aid society and the family services organization to address domestic violence in this city. Over the last couple of years, it has skyrocketed to about three domestic occurrences a day, and it's a town of about 46,000, so that's pretty significant.

We're trying to shift the focus from the victims of domestic assault to trying to do something about early intervention for potential offenders, trying to stop domestic violence before it happens. That's just kind of an example.

We can have a lot of effect with that \$80,000, or with that funding, but you need to allow us to work with that, or understand the limitations of that funding.

The Chair (Ms. Soo Wong): Okay. I've got one more minute for Ms. Vernile to ask—

Interjections.

The Chair (Ms. Soo Wong): Okay. One of you guys—one minute left. That's it.

Interjections.

The Chair (Ms. Soo Wong): Ms. Vernile?

Mrs. Laura Albanese: Go ahead.

Ms. Daïene Vernile: Very quickly, Alex: Your passion is so admirable. Thank you very much for caring.

This past August, when Deb Matthews, President of the Treasury Board, was tasked with the responsibility of addressing poverty, she announced a very ambitious project to try to tackle poverty reduction and, in particular, chronic homelessness. How did you react to that plan when you saw how ambitious it was?

Mr. Alex de Wit: Well, I read through the plan and, again—I work a lot with the other organizations here in town that deal with housing and issues like that. We thought it's a great first step. It's a great plan. The major concern that we had with it was concerning—sorry; I'm trying to think back to August here—how this is going to affect the rural communities.

People tend to believe that poverty doesn't exist in places like Cornwall because you can't see it. We don't have people living on the streets like you might see in Toronto, Ottawa or Montreal, but we do have homelessness. We do have people who do a lot of couch surfing. We do have people who sleep in their cars in the Walmart parking lot. We do have people who, whatever have you, tend to go from place to place to place.

There's a growing issue with property standards in the community. We have landlords who show up for one day a year or just have somebody collect the money for them and never do anything about the property standards. We have people coming to us and telling us stories about wires—

The Chair (Ms. Soo Wong): Mr. de Wit, I'm sorry. The time is up, so thank you so much for your presentation and your written submission.

UNITED COUNTIES OF STORMONT, DUNDAS AND GLENGARRY

The Chair (Ms. Soo Wong): Okay. The next group coming before us before we break for lunch is the United Counties of Stormont, Dundas and Glengarry. I believe we have T.J. Simpson, the chief administrative officer, and Eric Duncan, the warden for the united counties. Gentlemen, welcome. Can you please identify yourself for Hansard? You have 10 minutes for your presentation, followed by five minutes of questioning, and this round is from the official opposition party. Thank you.

Mr. Eric Duncan: Thank you. Good morning, everybody. My name is Eric Duncan. I'm the mayor for the township of North Dundas, the warden for the United Counties of SD&G and the new chair of the Eastern Ontario Wardens' Caucus, which encompasses 13 upper-tier municipalities in eastern Ontario, home to a population of more than 700,000 people. I am joined by our CAO, Tim Simpson, this morning, and we thank you for allowing us to speak.

There are three topics we'll be covering this morning, topics which I'm sure you're aware of in your work at Queen's Park. They are universally important to the mu-

nicipal sector. These are also topics which I strongly believe should be of concern to all elected officials, whether municipal or provincial, as they impact on our continued ability to provide quality, affordable services to our shared residents. What we will be speaking about today are concrete actions that the province can take that will improve municipal fiscal health and efficiency, some without or at minimal cost to the province.

The first topic I will cover this morning is the escalating cost of providing emergency services. One thing is very clear: The cost of providing policing, fire and emergency medical services is not sustainable, and action on several fronts must be taken. The recent changes to the OPP billing model, while contentious—we must give credit to the government for making a decision and acting on that. We spoke to Minister Naqvi at the AMO conference last year. It helps address transparency and the accuracy of that billing, and it was not an easy decision to make, so we certainly appreciate the action in that regard.

At the same time, what we have mentioned at the Eastern Ontario Wardens' Caucus and locally is that it doesn't address the base major need in policing: the overall cost of policing and the escalating costs. The rate of increase for policing and emergency services is sometimes two to three times that of inflation. Macro-level changes must be made to ensure that the system Ontarians have, and have come to rely on, is viable. In some municipalities—the city of Cornwall, which you're in today, is a perfect example—nearly 50% of their budget is on the main three emergency services, leaving very few tax dollars remaining to work on Ontario Works, child care, social housing, homes for the aged, roads, bridges and other infrastructure.

I won't spend a lot of time reviewing the reasons for the increases in the cost of emergency services. However, as you know through your work in association with AMO, I'm sure—which I believe made a submission earlier this week—they include arbitration, the benchmarking of salary increases against one another and a growing pension burden.

There has been a lot of interesting research in the area of alternative policing service models. Of interest to the Eastern Ontario Wardens' Caucus is the research being undertaken in the past couple of years by Dr. Christian Leuprecht of the RMC and Queen's University. The wardens' caucus has worked closely with him. In summary, he recommends things like: prioritizing core policing functions; reducing, sharing and shifting costs; increased productivity through more effectiveness and responsiveness; increased visibility; and managed demand and expectations.

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What should be done?

(1) Review and modernize via legislative change how emergency services, particularly police services, are delivered in Ontario.

(2) Overhaul the labour relations framework which guides and informs the compensation packages for emergency services personnel.

(3) Pass legislation allowing “two-hatter” firefighters. Myself being a mayor in a rural community, that’s a very important topic for us. It is frustrating, the barrier that’s there to allow professional firefighters to serve our rural communities.

I’ll ask our CEO to tackle the second issue.

Mr. Tim Simpson: Thank you, Warden Duncan. Good morning, everybody.

The second issue I’m going to touch upon is, again, an issue you’re probably familiar with. It’s reforming the Provincial Offences Act.

Responsibility for administering provincial offences was downloaded, as you probably know, to municipalities in 2001. The context here will be SD&G, where we’re sitting right now. In SD&G, for example, the value of defaulted fines has increased since 2001—so that’s 14 years—from \$9 million, when the transfer from the province happened, to \$31 million. So essentially, in 14 years we’ve gone up \$22 million in defaulted fines. This is largely because municipalities such as SD&G that have responsibility for provincial offences simply don’t have the tools that we need to collect those funds, and the whole system has broken down. Note that it is not a question of the efficacy of collections. When the POA was administered by the province, the same problem was present.

Thirty-one million dollars, I’m sure we’re all going to agree, is a staggering number, especially when we have 65,000 residents and we’ve got \$31 million in outstanding fines. If those funds were paid, they could be applied towards the cost of providing essential services. Warden Duncan has mentioned some of those. Simply put, the administration of justice fails when convicted offenders are not held to account for their actions by being able to evade or avoid paying their duly imposed fines.

Similar to the emergency services issue, groups such as AMO and the Municipal Finance Officers’ Association of Ontario have done a lot of research and advocacy on this issue. The passage of Bill 31, which I understand is undergoing second reading right now in the House, is a very positive step, and we welcome that. It will provide new collection tools to municipalities at no cost to the province. In addition to Bill 31, there are other steps that could be taken to maximize the ability of municipalities to collect fines imposed on offenders. So that’s a very positive step.

We believe the most important of these is working with the federal government and municipal partners to develop other collection tools—particularly those related to the income tax, which is available in some quarters but is not available to us—to reduce the number or value of defaulted POA fines. The main message is that every tool possible should be made available to ensure that fines are paid. Not having these tools in place simply rewards offenders and penalizes the taxpayers. As I said, \$31

million in a municipality of 65,000 people is creating great difficulty for us to provide the services that we need.

I’ll pass it back to Warden Duncan.

Mr. Eric Duncan: Finally this morning, I would just like to speak about infrastructure funding for a brief moment.

Over the past decade or so, there has been recognition among all levels of government that the development and maintenance of infrastructure is the essential element in maintaining our quality of life and standard of living. I give the Premier credit for speaking to that in Ottawa this week. However, much more needs to be done, as is universally acknowledged.

In SD&G, for example, the value of our county infrastructure assets—our roads, bridges and buildings—is over \$1 billion. That’s not including our local townships and municipalities. The 2014 permanent \$100-million Ontario Community Infrastructure Fund is great news for Ontario’s smaller communities without public transit and will support the development and maintenance of roads, water lines, etc., not only for our counties but our six local townships.

We were disappointed to learn that in addition to the formula-based allocation, there continues to be an application-based component of OCIF. Traditional infrastructure funding programs have relied on application-based allocations. However, application-based infrastructure funding allocations do not serve the interests of municipalities or the province well. At best, this funding method forces municipalities to compete against one another for scarce funds; at worst, it rewards those municipalities who have not wisely managed their infrastructure assets.

To that end, our hope is that, over time, the commitment to increase OCIF funding, as well as move to a full formula-based allocation, will be honoured. We know that’s coming, and that’s good news.

In regard to the disbursement of infrastructure funds, we believe that the province would be wise to emulate the process developed and deployed by the federal government and administered by AMO. Infrastructure funds are allocated on a simple allocation-based formula and administered by AMO. This provides stable, predictable funding, with an efficient and streamlined administration process.

In closing, we hope that the information provided today will be helpful as part of the 2015 budget process. We certainly appreciate the daunting task and the many presentations you hear over the course of the past few weeks and upcoming, and we thank you for your time. We welcome you to Cornwall.

The Chair (Ms. Soo Wong): Thank you very much for your presentation, gentlemen. Mr. McDonell, would you like to begin the questioning?

Mr. Jim McDonell: Yes. Thank you for coming out today. I guess, where you’re sitting, the finances are very difficult to manage sometimes, especially when you look at the reductions in OMPF funding that you’ve received not only this year but over the last number of years.

You talk about the need to move to allocation-based funding instead of the competition, which sounds, on the surface, as not being that bad, but when you look at the consulting fees being spent by the numerous municipalities trying to compete—just the fact that a small number of them are actually successful—there's a huge amount of money wasted on projects that will never be done. Comment on that?

Mr. Eric Duncan: One of the comments that I think one of our colleagues at the wardens' caucus had is that we would rather receive—as opposed to getting maybe \$1 million every four years, it would be great to know that we would have a quarter-million dollars coming in in stable funding every year. That allows us to use our asset management plans more effectively when it comes to that.

The gas tax model at the federal level through AMO has been good in the sense that we know—it varies, I believe; every census, it gets reallocated based on population, but we're able to go forward now in the next four or five years and know how much money we're going to be getting and how we're going to be going.

Again, the step is certainly there with the OCIF funding. The sooner we can get to that more base of gas tax will certainly be helpful because, again, there are still larger projects that need to be addressed, but we can tackle our asset management plans that the province has requested by knowing, again, we're getting X number of dollars every year and know what's coming for the next five.

Mr. Jim McDonell: I see the example in the paper just this week in South Glengarry where they have a bridge that's over \$1 million. I know that they've been applying for that money for four or five years. Again, it's another thing where they're saying that they've got a hard stop; they must spend \$1 million this year. They're applying for funding and don't know if they'll get it. It affects your budgeting and financing. It's a huge issue in rural Ontario.

Mr. Eric Duncan: I can go back to the gas tax point on that too as an example there. There is the federal gas tax model which they've calculated in that regard, but for the provincial one, once that's set in stone and confirmed and we're knowing what the total amount will be at the end of time, it will be helpful because, again, they could know that financing is available to perhaps borrow from reserves and pay back. So it's the unknown aspect there of what's coming in the future in the next couple of years, and perhaps in set payments to know that it could be paid off in a certain number of years. That's a good local example of how that could work better. I think Tim may have a comment on that.

Mr. Tim Simpson: Yes. I certainly echo what Warden Duncan has said about the infrastructure fund. Obviously it's welcome and it's necessary. We just think that the current process, partly based on allocation and partly based on an application, does not, for the reasons—rewarding poor asset management and the competition, which is to your point. The ability to create the funds

necessary to do that vital infrastructure is not in the best interests of the taxpayers, either locally or provincially.

There are different models out there. Certainly the wardens' caucus, last year and through AMO, has strongly advocated for many years that, now that we've got the ability to have some of that infrastructure funding, let's get a process in place that is as efficient and fair as possible. We're talking about the federal model. There are different models than that, but we believe that that model over the years has evolved into a very good model: very low on the administrative end, easy to comply with, the auditing rules are easy, and it's administered by AMO, so it works very well. We're hoping we can move more in that direction.

Mr. Jim McDonell: I know, looking back, your provincial funding is less than it was in 1999, so if it wasn't for that federal gas money, you'd really be in a lot of trouble.

The OPP costs: I know you were a winner this year because the plan is more equitable, but the plan across the province still costs the same, plus 8.5%. Emergency services are taking a huge chunk out of our budget and it's a fund that, for the most part, you have no control over. You don't negotiate the contracts, the officer numbers are dictated by the province, but you are forced to pay the bill. How do you manage that?

Mr. Tim Simpson: That's a good point, and, again, to what Warden Duncan was saying about policing costs: The shuffling the deck on "who pays what" I think was a necessary exercise. It was a painful exercise at times, but certainly we have to give kudos for doing it. But it doesn't address the macro issues that we have. Whether you have a municipal police force or whether you're contracting with the OPP, those macro issues are there. They've manifested themselves for years, and that manifestation is just getting worse and worse, and it's not sustainable. Cornwall is a separated municipality, as you know, but there is 50% or more that they have zero control over in terms of what their costs are.

What we're saying is, let's work together on some of these macro-level issues. There's a lot of work being done at the provincial level—provincial associations and academics that the warden mentioned. Let's take that and let's emulate what some other jurisdictions are doing, whether it's internationally or nationally, and get a handle on this thing, because eventually, like a house of cards, it's going to collapse.

The Chair (Ms. Soo Wong): Okay. One last question in the last minute, Mr. Clark, to the witnesses.

Mr. Steve Clark: Thanks, Chair. Thanks very much for your presentation. I was glad to see both of you at the Eastern Ontario Wardens' Caucus last week.

I appreciate the comments about emergency services. MPP McDonell brought that up.

Back to penalizing well-run municipalities: I think your point is well taken about the infrastructure funding. More and more, we're seeing well-managed municipalities penalized by this government and not being given

infrastructure funds. I appreciate that predictable, stable funding is the only way to go.

A quick question, on the double-hatter, the two-hatter, is—I've heard it from many municipalities—how would that benefit, if the government would move quickly on that piece of legislation? I think they're not realizing the impact that it has in rural eastern Ontario.

Mr. Eric Duncan: I think the first thing that comes to mind with that question of double-hatters is, when it comes to training in our small rural communities, there are several—with the city of Ottawa being our nearest jurisdiction, and I'll use the township of North Dundas as an example, with the scheduling changes and that, it's making professional firefighters more available who live in rural communities. However, there's that grey area, or the frustration there.

The first thing that I know many of our firemen and firewomen have spoken about is better access to training. They're being trained as part of their regular routine in there, and having the opportunity to play a leadership role in our smaller volunteer forces is certainly something that's helpful and can help lower overall costs on that.

The other aspect we always mention is with the Office of the Fire Marshal. Things are changing in that regard, in terms of the some of the requirements that are there or the relationship that's there. There are a lot of positives to that. There are some downsides, but having the opportunity for the double-hatters to serve in perhaps a rural volunteer setting really helps. I think, in the long run, it helps the fire marshal's office to have a good liaison there in between. They could play a role—

The Chair (Ms. Soo Wong): Okay. Thank you very much, gentlemen, for your presentation. Thank you, Warden Duncan and Mr. Simpson, for being here today, and thank you for your written submission as well.

Okay, folks. We're now going to recess until 1 o'clock for lunch. Please come back promptly at 1 o'clock, because we have a couple of more witnesses.

The committee recessed from 1202 to 1300.

The Chair (Ms. Soo Wong): Okay, ladies and gentlemen, we're going to resume the standing committee on economic affairs.

The first witness, or the first presenter, at 1 p.m. is Judith Bobka, so I wanted to check around to see if Ms. Bobka is here.

Interjection.

The Chair (Ms. Soo Wong): Mr. McDonnell?

Mr. Jim McDonnell: I know that Ms. Bobka had a stroke just last week, and she's in the hospital. I was wondering if she had somebody else from the group come, but I don't see them.

The Chair (Ms. Soo Wong): Okay. Mr. Clerk, we don't have anybody representing Ms. Bobka, right?

Interjection.

The Chair (Ms. Soo Wong): No. Okay. We're going to go on record as calling her name for this committee, and maybe the staff can follow up to see if she would like to do a written submission to the committee, because she

can still submit until next Friday, right? Okay. So if you can pass on that message to her, Mr. McDonnell.

DR. THOMAS BAITZ

The Chair (Ms. Soo Wong): The next witness at 1:15: I'm going to check to see if Dr. Thomas Baitz is here. Is Dr. Baitz here? Dr. Baitz, can you please come up? I know we're a little ahead of schedule. Please come up and sit on that chair. Dr. Baitz, we're a little early, because the previous presenter is not here.

The format is that you will have 10 minutes to speak and five minutes for the committee to ask you questions. This round of questioning will begin with the opposition third party.

Please introduce yourself. If there's any organization you represent, Dr. Baitz, you can let the committee know, and for Hansard purposes. You can begin any time. Thank you.

Dr. Thomas Baitz: Thank you very much. I have been up since 6:15 in the morning, so it doesn't matter that I'm a bit early.

Honourable members of the provincial Parliament, committee members, ladies and gentlemen, it's a great privilege to make this presentation to you. I most appreciate the opportunity to reflect my thoughts, observations and overview of many discussions that I have had with many people in and out of the health care field.

My name is Thomas Baitz. I received my MD in Alberta and have been practising specialty medicine for many years—for decades—in Ontario. My purpose of this presentation is really to assist the taxpayers of Ontario to receive the best health care they deserve, but in the most economic fashion.

I do believe that there is no society in the world that, in the health care field, can provide everything to everybody, especially within an anticipated and desired, but not necessarily required, time frame. Therefore, we have to maximize the coordination of needs, expectations and resources.

My perception is that even universities do not adequately emphasize or place adequate priorities on three areas, namely, communication skills, fiscal responsibility and interprofessional and even broader societal teamwork. Therefore, I would like to put special emphasis on these three areas, especially the second and third, in my presentation.

In terms of fiscal responsibility, especially with the Canadian economic health care model, we have three partners: the consumer public, the health care professions and the paying public, as mainly represented by the government. In our society with our fiscal model, all three partners have increasing responsibilities to facilitate affordable but superior health care.

We need a more disciplined approach by the consumer public. Too often services are requested and demanded, not because of perception of possible negative consequences when unattended, but for the sake of convenience. We need a more disciplined consumer public.

For example, there is a relatively high frequency of no-shows for tests or other appointments, even when reminder phone calls are made. Every no-show requires extra resources for rebookings, delayed scheduling for those who could have utilized the now empty space etc. Politicians and health care providers may be blamed for waiting times, while some of the public also contribute to it with no-shows or late cancellations.

Many no-shows cost significant amounts, as technicians may be idle, but also isotopes and other materials with a short half-life have to be prepared prior to a test and cannot be reutilized subsequently. Yet these no-shows and very late cancellations do not result in negative perceptions or consequences to the individual. Thus individuals may not know the damage they cause or may not recognize that their conveniences did override the priorities of the paying public.

Utilizing professional services for minor issues is not uncommon. Excessive demands for medically unnecessary or unrealistic undertakings for self or a relative occur too frequently. For some, there is an unspoken attitude of my rights overriding our straining public resources.

The government has a major responsibility to encourage wise utilization of resources, yet there is no sign of any political party taking a strong stand in favour of a more disciplined and more responsible approach by the public. We need information and education, not draconian rules and regulations, but intensive public discussions on how to reduce unnecessary utilization of limited and expensive resources.

The health care professions also have unfulfilled responsibilities to facilitate more appropriate utilization of our resources. The productivity of salaried people appears to be significantly lower than of those who work fee-for-service, yet overutilization by those working on a fee-for-service basis also needs to be avoided.

Unnecessary tests and procedures need to be curtailed. As an example, even the value of an annual physical examination or checkup is questioned.

We need far more reliance on evidence-based medicine to do what needs to be done but avoiding doing what has not been shown to be of value. Furthermore, duplication must, by all means, be avoided. All of us have a responsibility to communicate with all involved health care professionals: share data, share directions of involvement and have synchronized approaches.

Too often, higher-ranking professionals feel that their involvement needs justification by just one or more extra test ordered, one or more change in medications, repeating already existing information etc. It is human that we need to justify our involvement. It is hard to say that everything is already done correctly by others, so we inadvertently or subconsciously may feel that we just have to do something to justify our involvement. We professionals need better tools to know what is necessary and what is unnecessary in our practice, what are unnecessary steps that we deliberately or subconsciously may take to justify our involvement and when we ought to say the words “I

don't know,” or, “There is no need for me to do anything differently.”

The resources for us to practise excellence without excessiveness are not as readily available as they should be. More widespread involvement by independent health care economists and epidemiologists at all levels, including and especially at the university level, would help to reduce uneconomical and unnecessary doings.

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There is inadequate consideration of cost-benefit analysis. Data are scarce or not adequately presented to allow choices where the best outcome at the lowest cost is analyzed. We physicians are mostly not aware of the true cost or the cost benefit of investigative or therapeutic steps and therefore often we do not know how to practise the most cost-effective health care. Even clinical practice guidelines by expert panels offer only “best practice,” without economic considerations. We do not have the tools, for example, to compare two different tests or various interventional techniques in terms of their accuracy versus their cost compared with each other for a given condition. Thus, we may inadvertently choose the more expensive one when a cheaper and equally or almost equally satisfactory test or procedure or treatment would be available. Thus, far more intensive dissemination of cost-benefit data to health care professionals would be required. Therefore I would desperately like to see a major focus on clear definition, both in terms of benefit and cost, for every test and every procedure that we request or undertake as professionals.

Rules and regulations are not the answer in my opinion, but very intensive information and education of both the public and the professionals regarding resource utilization is needed. That, in my opinion, is a necessary step to be taken by the paying public, i.e. the government, as soon as proper steps can be implemented in that direction.

Many thanks for your kind attention.

The Chair (Ms. Soo Wong): Thank you very much, Doctor. I think this round of questioning is for Ms. Fife.

Ms. Catherine Fife: Thank you very much for taking the time to come in and share your thoughts with us, Dr. Baitz. Are you the same doctor who actually advocated for Cornwall to have a dialysis machine?

Dr. Thomas Baitz: Yes.

Ms. Catherine Fife: And now they have two.

Dr. Thomas Baitz: Yes.

Ms. Catherine Fife: And at the time, the Ministry of Health didn't think that this community deserved a dialysis machine, is that true?

Dr. Thomas Baitz: I have no knowledge about the behind-the-scenes actions. I cannot answer that.

Ms. Catherine Fife: But would you say that those two dialysis machines have made an immense difference in the quality of health for the people in this region?

Dr. Thomas Baitz: Absolutely. My secretary donated her kidney to her husband to avoid dialysis—having to go to Ottawa and so on at the time when we didn't have any. There are hundreds of people who have benefited from it. I am a founding member of the Canadian Society

of Nephrology, so I do know how much tremendous value it is to sustaining life.

Ms. Catherine Fife: You also advocated for a diabetes clinic in Cornwall as well, did you not?

Dr. Thomas Baitz: I am very proud to be the recipient of the 1986 Canadian Diabetes Association Banting prize for establishing the diabetes clinic in Cornwall. It's multidisciplinary; we do need interaction with the different team members. It's not a solo adventure. In today's world we do need excellent interprofessional, long-term planning.

Ms. Catherine Fife: Sure. So there are smart ways to invest health care dollars that contribute to the overall health of Ontarians, and add, perhaps, a more diagnostic quality to them as well.

I did want to mention, some of your themes are that there's duplication and that there are repetitive health care measures that are costly and should be prevented, and yet you sort of indicate that it's not more about rules and regulations. It's about education.

Today, we're here, though, listening to people around the province—and in particular in this area—to see where budgetary priorities should be. Can you speak specifically to funding in health care and share your thoughts with us on where you think the most powerful investment is for health care?

Dr. Thomas Baitz: I fully understand the difficulties that the legislative committees have, because you require obvious attention to the bottom line. I am really not an economist, so I would be very hard-pressed to give immediate solutions. My perspective is more a long-term approach where nobody in the world, to my knowledge, adequately pays attention to the cost of health care—by the professionals or by the public, only by the politicians, and very justifiably and necessarily so.

So I am a little bit at a loss to answer your question, but my perspective is for long-term planning to have a much more dedicated effort to involve the professionals in the costing of health care services rather than only the provision of health care services.

Ms. Catherine Fife: Very good. Thank you very much for coming in today.

The Chair (Ms. Soo Wong): Thank you very much, Dr. Baitz. Thank you also for your written submission.

Dr. Thomas Baitz: Thank you very much for your kindness.

DR. SASHA HAMID

The Chair (Ms. Soo Wong): The next presentation is by Dr. Sasha Hamid. Is she here? Okay. We're ahead of schedule. Let's hope that we stay the course.

Thank you and good afternoon, Doctor. You have 10 minutes for your presentation and five minutes for questions from the committee members. This round of questions will be from the government side.

When you begin any time, Doctor, please identify yourself or whichever organization you represent. Thank you.

Dr. Sasha Hamid: Good afternoon, everyone. Thank you for having me today. I'm very honoured to be here.

My name is Sasha Hamid and I am a chiropractor at the ByWard Chiropractic Clinic. I have been practising full time for the past nine years. In the city of Ottawa, we have two clinics. We have a full-time staff of six chiropractors and 13 registered massage therapists who are serving the MSK, or musculoskeletal, needs of the people of Ottawa. Our patient base spans the spectrum in the city, which includes federal and municipal government employees, our men and women in uniform, and senior citizens. Each of these groups face challenges when it pertains to timely access to health care.

MSK conditions—musculoskeletal conditions—such as low back pain and neck pain are among the most prevalent challenges facing our health care system today. Chiropractors who are expertly trained in the assessment, diagnosis, treatment and management of MSK conditions are well positioned to play a key role, an increased role, in providing this care to enhance the patient experience and improve patient outcomes.

Ontario's Action Plan for Health Care identified the importance of improved quality of care, increased access and better value for money as fundamental to a high-performing, patient-centred and sustainable health care system. Key to this action plan is the commitment to ensuring Ontarians have the right care at the right time in the right place. As the government continues to transform the health care system while simultaneously seeking ways to reduce costs, chiropractors can help.

Low back pain is a condition the government has identified as particularly pervasive and costly. It is estimated that up to 80% of the population experiences low back pain at some point in their lifetime. In 2012, nearly one out of five people in Ontario reported having chronic back pain.

The Public Health Agency of Canada found that in 2008, direct costs associated to low back pain in Ontario amounted to more than \$390 million, and in 2013, Ontario's WSIB reported that over the previous 10 years, the lumbar spine was a leading part of the body being injured, accounting for 17% to 18% of lost-time claims.

Reduced productivity has a significant impact in Ontario's economy. It is very common for patients with back pain to be referred to an orthopedic surgeon, contributing to long wait times of four to nine months, only to find out that up to 90% of these patients are not surgical candidates. These patients then return to their primary care physician, further extending the time it takes to receive care and adding costs to our system.

Mrs. R., 65, is a patient of mine. Four years ago, she went to see her family doctor for chronic hip and back pain. She was a vibrant woman whose independence and mobility were severely compromised due to her chronic pain. Her family doctor was able to squeeze her in for a brief visit and, without an exam, told her that she needed to see a specialist about a hip replacement. Mrs. R. was placed on a long list, waiting for a surgical consult, but still had no answers and was in pain.

A friend suggested Mrs. R. try chiropractic. It has been four years since Mrs. R. presented to my clinic for a second opinion, and I'm sure, had I asked her, she would have been very grateful to come here today to sit back there championing. Mrs. R. is an active grandmother who no longer has hip pain, who no longer has back pain and has taken up running at 65. She never needed to go see the orthopedic surgeon and she freed up that appointment time for someone else who truly was in need.

I had another patient just last weekend who was suffering from excruciating back, neck and arm pain. Mr. P. presented to me after an unsuccessful trip to the ER, where after seven hours he left, tired, frustrated and still in pain, without even seeing anyone. He came to see me Monday morning, and I am pleased to say that with some chiropractic care and home care exercises, Mr. P. was back to work Monday morning for a busy week of union meetings and has shown a 75% improvement this past week.

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We also have examples of interprofessional collaboration. Our clinics in Ottawa have positive working relationships with family health care teams such as Bruyère, Primrose, Ottawa university and Sandy Hill Community Health Centre. We have relationships where physicians and nurse practitioners refer their MSK patients to us. We have spent time and effort over the years engaging with these health care professionals, who now understand the value of chiropractic in the health care system, and we share patients. These patients have the right access, the right care and at the right time.

Recognizing the significant costs related to low back pain, the government introduced the Low Back Pain Strategy in 2012, including the funding of two pilot projects to test these new models of care for the treatment of low back pain.

The first was the Inter-professional Spine Assessment and Education Clinic pilot. It is led by the University Health Network and has been operating since 2012. Three sites were chosen as part of this—Hamilton, Thunder Bay and Toronto—and chiropractors and physiotherapists have been hired to provide assessment, education and evidence-based treatments to plan for low back pain patients who have been referred by community primary care providers. The ISAEC is generating very positive results so far, including a significant reduction in MRI ordering, which is saving health care system money. The pilot is set to finish this March.

The second pilot was the Primary Care Low Back Pain Pilot, which was first announced in the fall of 2013. The Ministry of Health and Long-Term Care released an RFP to all interprofessional primary care teams, which included aboriginal health access centres, CHCs, FHTs and nurse-practitioner-led clinics, to apply for funding to operate low back pain programs in their settings. Central to these pilots is the formation of partnerships with local allied health providers with expertise in low back pain, which include chiropractors. In November 2014, the ministry

selected seven sites. Chiropractors will play prominent roles in at least six of these seven sites.

At the same time as the announcement of the PCLBP pilot—that's a tongue-twister—the ministry implemented a policy change authorizing all interprofessional teams to hire chiropractors on either a salary or sessional basis. The policy stands to improve our systemic management of musculoskeletal conditions, of which low back pain is a subset.

While the policy change will serve to improve low back pain care in interprofessional settings, it will have an even broader impact as primary care teams can now hire chiropractors to support musculoskeletal care, including a range of other conditions such as neck pain and shoulder injuries.

The Low Back Pain Strategy, supported by strong partnerships between physicians, chiropractors, physiotherapists and other key providers, has proven fruitful. Minister Hoskins recently noticed that since the launch of the strategy in 2012, there has been an 18.5% decrease in the number of patients being sent for unnecessary X-rays, CTs and MRIs, resulting in savings of approximately \$15 million.

Recognizing the challenges they face in treating low back pain, over 100 professional primary care teams sought to participate in these pilots so they could deliver improved care to their patients.

The demonstrable interest in working with allied health professionals, and chiropractors in particular, is consistent with a recent Conference Board of Canada study on FHTs. The conference board notes that one of the reported challenges associated with delivering chronic disease management is insufficient—or lack of—funding for programs, resources and specialists such as chiropractors.

As such, I am asking, on behalf of my colleagues and myself, that you continue your commitment to enhance low back pain patient care. Specifically, we believe there are two important ways in which you can do so. Firstly, we recommend that interprofessional primary care teams be funded to hire chiropractors to support comprehensive MSK programs. This will promote the immediate improvement of MSK and low back pain care in team settings.

Secondly, we also urge you to ensure that there is funding for a province-wide rollout of comprehensive low back pain models of care based on the results of the two pilots that I previously addressed.

The evidence is clear: The inclusion of chiropractic in the assessment and the management of low back pain reduces system costs. Freeing up funding for interprofessional teams to hire chiropractors would be an investment from which the government can expect notable returns.

Given chiropractors' expertise in the MSK system, the profession is exceptionally well positioned to play a leadership role in helping patients manage low back pain, increase physical functioning and improve their health outcomes, and to do so while reducing the number of

costly, unnecessary referrals for advanced diagnostic imaging and specialist consultations. Greater cost reductions, like the \$15 million already saved through the Low Back Pain Strategy, can be achieved with relatively small, targeted investments in low-back-pain care. Let's help Ontarians suffering from low back pain have access to the right care, at the right time, in the right place.

The Chair (Ms. Soo Wong): Thank you very much for your presentation. Before I turn to Ms. Vernile to ask questions, could you submit your verbal presentation to the Clerk so that all the members have a copy?

Dr. Sasha Hamid: Certainly.

The Chair (Ms. Soo Wong): Okay. Ms. Vernile, do you want to begin the questioning?

Ms. Daiene Vernile: Thank you very much, Dr. Hamid. Am I pronouncing your name correctly?

Dr. Sasha Hamid: You are.

Ms. Daiene Vernile: I want to thank you for taking the time to come here and to give us this very well-prepared presentation today. In my riding of Kitchener Centre, I can tell you that I have met a number of times with local chiropractors, and not just professionally. You mentioned the 80% of Ontarians with back pain; I am one of them, with a dozen years of all kinds of issues. I've had two back surgeries. I'm glad that we have good chiropractors in our community who have brought me a great deal of relief.

First of all, I want to congratulate you for being the 2012 National Capital Fit Day people's choice for best chiropractor. Congratulations to you on that.

Dr. Sasha Hamid: Thank you very much.

Ms. Daiene Vernile: You talked about the Primary Care Low Back Pain Pilot program. This is supporting the integration of various health care professionals, such as chiropractors, physiotherapists, kinesiologists, occupational therapists and registered massage therapists. We're committing \$2.3 million to this particular project. Can you talk to us about how this investment is helping you? What kinds of improvements are you seeing in patient care?

Dr. Sasha Hamid: Well, in terms of the low-back-pain pilot project, and that was in 2013, what we're seeing is a decreased amount of—sorry; I'm mixing it up with the ISAEC. You said the PCLBPP?

Ms. Daiene Vernile: The Primary Care Low Back Pain Pilot program.

Dr. Sasha Hamid: Right. In that one, I know that there was a large number of people very interested in this project. We had over 100 applications submitted. We know that we have six of seven sites where chiropractors will play a part. As far as logistics and everything else, I don't have that information on me at this time, but I can definitely follow up with that for you.

Ms. Daiene Vernile: You're asking for our continued commitment, and I will tell you that I will take your message back to Queen's Park with a very loud voice.

Dr. Sasha Hamid: Thank you very much.

The Chair (Ms. Soo Wong): Any other questions from the government side? Mr. Fraser.

Mr. John Fraser: Very nice to see you again, Dr. Hamid.

Dr. Sasha Hamid: Nice to see you, Mr. Fraser.

Mr. John Fraser: Thank you for being here.

Dr. Sasha Hamid: You're welcome.

Mr. John Fraser: That was an excellent presentation of what you've been doing. Part of what I'm doing at the Ministry of Health is in scope of practice, which relates to what you're doing.

I want to ask a question about the pilot project. The seven sites—that's for either a funded chiropractor or a physiotherapist?

Dr. Sasha Hamid: We're looking for the inclusion of experts, yes, who deal with the assessment and treatment of low back pain.

Mr. John Fraser: But the pilot is actually a funded model?

Dr. Sasha Hamid: Yes.

Mr. John Fraser: And you also said that the ministry has permitted FHTs to hire.

Dr. Sasha Hamid: Yes.

Mr. John Fraser: So, that's currently not a funded line project, but that would be a decision that would be made inside the current budget of the FHT. Have you noticed any pickup on that, or have people—

Dr. Sasha Hamid: Well, we can tell you from our association that, even just locally, there is definitely huge interest. How it would roll out and how it would play out is an unknown to us, obviously, in terms of how chiropractors will play a role in terms of their livings and how they do things. But when it comes back to the ask, we definitely want to make sure that we have the inter-professional primary care teams being funded to employ the chiropractors, and that the funding is province-wide with the rollout of these sites that we've discussed in the pilot.

Mr. John Fraser: Okay. I'm just trying to get to understand the pilot and the announcement that the ministry made. Was the announcement that the ministry made to enable the pilot or is it to enable the pilot and also to allow this—

Dr. Sasha Hamid: It was to enable the pilot. What we're asking is, with the results of the pilot, to include that in the province-wide rollout—for the results of the pilot to be used province-wide across all of these health care centres.

Mr. John Fraser: Okay. That's helpful. I understand.

Dr. Sasha Hamid: Okay.

Mr. John Fraser: I viewed them as two separate things—

Dr. Sasha Hamid: Gotcha.

Mr. John Fraser:—where there was permissiveness now and that FHTs may pick this up without being in the pilot. Does that—

Dr. Sasha Hamid: There is—yes. Okay.

Mr. John Fraser: That's what I'm trying to understand. What kind of pickup have you got with that permissiveness?

Dr. Sasha Hamid: There is the ability now for FHTs to employ and have chiropractors on their roster. That is up to them to put out with their business plans, as far as I understand; I'm not part of a working model in that.

Then the other part of it is, with these pilot projects, having the chiropractors on board, but again taking that model and using it, with the province funding it, throughout the province.

Mr. John Fraser: Thanks.

Dr. Sasha Hamid: Maybe I didn't answer you well. Again, it's my first time presenting and it's a little bit nerve-racking. I can definitely really—

Mr. John Fraser: No, you're doing great.

The Chair (Ms. Soo Wong): A great job.

Mr. John Fraser: I'm having a hard time asking the questions.

The Chair (Ms. Soo Wong): Well, thank you very much for your presentation, Dr. Hamid.

Dr. Sasha Hamid: Thank you kindly.

The Chair (Ms. Soo Wong): I have just spoken to the Clerk. The next witness is not here yet, so I'm going to recess the committee until 1:45.

Ms. Fife?

Ms. Catherine Fife: Thank you, Madam Chair. I wondered if I could just take this opportunity to ask research to follow up on the cost of purchasing and installing the PET scanner, in addition to the operational costs, at Health Sciences North in Sudbury. It was part of a presentation earlier and I'd like to get a better sense of what the full cost of that would be. Thank you.

The Chair (Ms. Soo Wong): Okay. Since Ms. Fife asked the question, are there any other questions outstanding from this morning's presentations that any members of the committee want to ask the research department to follow up? Okay, get your list together.

Mrs. Laura Albanese: We'll give it some thought.

The Chair (Ms. Soo Wong): Yes, put it together. I'm going to recess the committee until 1:45 because the witnesses and the presenters are not here. None of the other groups coming forward are here yet, but I know the Clerk and staff are trying to call them and get them to come a little bit early because we are ahead of schedule.

So I'll recess the committee until 1:45. Okay? Thanks.

The committee recessed from 1331 to 1356.

The Chair (Ms. Soo Wong): I'm going to resume the committee meeting. I'm going to call again, on record, to see if Grain Farmers of Ontario is present. Seeing none, I'm going to move on to the next couple of presenters coming forward: the Cornwall Health Coalition and Cornwall and District Labour Council. I don't see them here yet.

DUNDAS FEDERATION OF AGRICULTURE

The Chair (Ms. Soo Wong): I believe the next one after that is the Dundas Federation of Agriculture: Jacqueline Kelly-Pemberton. Ms. Kelly-Pemberton, can you please come forward? Good afternoon. You can sit anywhere near the mikes there.

As you know, the committee has 15 minutes allotted for your presentation. Ten minutes will be for your presentation, followed by five minutes of questions from the members. This round of questions will be from the official opposition party. You may begin at any time. Please identify yourself, your organization and your position for Hansard purposes. Welcome.

Ms. Jacqueline Kelly-Pemberton: Good afternoon, members of the standing committee and staff. On behalf of the nearly 500 members of the Dundas Federation of Agriculture and the 37,000 OFA farmers and farm families, I want to thank you for this opportunity to present today.

Just a little bio on myself—I'm a little nervous.

Ms. Ann Hoggarth: Relax.

Mr. Yvan Baker: You're doing great.

Ms. Jacqueline Kelly-Pemberton: Just a little bio on myself: Together with my husband, Steven, we raise beef and grow corn and IP soybeans for export to Japan on 200 acres in Inkerman, Ontario.

I have had a varied career off-farm, and I am currently self-employed, working in the field of water resources, industrial and municipal bio-solids, as they relate to agriculture. I sit on a variety of committees representing farmers in Dundas county, and I actively lobby on their behalf on agricultural issues at all levels.

I am a graduate of the Advanced Agricultural Leadership Program, AALP class 14, a development opportunity for men and women who want to actively shape the future of Ontario's agriculture and rural communities.

We know that strategic government investments and sound policy and procedures can drive the Ontario economy forward. Growth in the Ontario farm and rural economy will greatly alleviate the fiscal pressures we face, and Ontario agriculture is well positioned to grow Ontario's economy. With prudent investment and policies, we will accomplish growth.

Farming in Ontario delivers results. In 2013, the OFA commissioned an updated analysis of the economic contribution of the Ontario farm sector. The report found that the production from Ontario farms sustained 157,829 full-time-equivalent jobs and wages of \$8.1 billion in 2012. Farm sector economic activity contributed \$3.9 billion in taxes to all three levels of government, including \$1.4 billion to the government of Ontario in 2012. Ontario's farm outputs contributed \$26.6 billion in gross outputs in 2012, with a gross domestic product of \$13.7 billion.

These statistics are based only on the upstream linkages and input suppliers and do not include economic activity that occurs when farm products are further value-added. The additional contributions that can be made by a healthy processing sector are staggering. In the documentation provided, the OFA respectfully outlines the farm sector's recommendations to enable growth and our ongoing contribution to a healthier provincial economy.

The pre-budget submission addresses 12 areas of concern for the farm community, providing specific recom-

recommendations on each. Our top three priorities are the first three issues noted. They are energy, including access to natural gas and electricity rate reduction; funding for municipalities; and rural infrastructure.

Energy represents a significant and rising input cost for Ontario's farm businesses. Any successful effort to reduce energy costs will contribute directly to the bottom line of farms, enabling reinvestment, jobs and sustainable businesses in rural Ontario.

Our farm businesses have already led in adopting conservation methods to reduce energy consumption and costs. Farms will continue to manage costs through conservation, but OFA has identified critical actions that will serve to significantly reduce energy costs on farms. They include taking the necessary action to roll out natural gas pipeline networks across rural Ontario and make the adjustments to electricity pricing.

Natural gas for rural Ontario: We're pleased to see the commitment of the 2014 budget to help extend rural gas services by a loans and grants program. At this time, we ask that the implementation be made a top priority, and specifically, we recommend the following for the budget: Ontario must immediately announce program details on the \$30-million grants and \$200-million interest-free loans to municipalities for expanding natural gas pipelines in rural Ontario, and direct the Ontario Energy Board to work with utilities to set a rural rate for new customers, and include a government low-interest loan program to assist households with hookup costs and installation of gas furnaces and appliances.

Electricity: Ontario farmers are deeply concerned about power rates because of their effect on our ability to hire and do work on farms, and still more seriously, because Ontario power rates compromise the viability of the food processing sector in Ontario. That is the largest part of our home market, and it is essential to remain competitive.

Ontario needs to restore farm and industrial electricity rates so that farms and industry can become more competitive and create jobs here in Ontario. OFA recommends this be done with a phased-in approach as follows:

Announce a return to farm and industrial power rates in the 2015 budget.

Beginning with the 2016 budget, remove half the provincial share of HST on power bills—about \$250 million—and adjust all power rates so that they can go down slightly.

In the 2017 budget, remove the other half of the provincial HST and adjust rates downward again.

In the 2018 budget, use the expiration of the debt retirement charge to allow a third downward adjustment in rates.

These suggestions can be implemented without harm to Ontario's balanced budget plan. In fact, it will grow Ontario's revenue as the newly employed contribute tax revenue on their income and purchases. OFA is convinced that these measures will add over 9,000 new jobs a year each year in Ontario and that the taxes these people pay will quickly grow and cover the costs of giving up the provincial share of HST on power sales in the short term.

Provincial transfers and municipalities: Given municipalities' limited taxing authority and ongoing reductions in the real value of transfers from the province, municipalities have had little choice but to raise property taxes to cover services provided to citizens. This phenomenon results in burdensome and non-competitive taxation of land-based industries such as farming.

Ontario must increase provincial transfers to municipalities to ensure municipalities do not have to excessively tax property to raise municipal revenues. Alternatively, the province should phase out using property tax revenue to support education funding in order to allow municipalities to redirect this property tax revenue toward supporting municipal services. Ontario must also address the mismatch between municipalities benefiting from the provincial uploads and those facing the OMPF funding cuts.

OFA believes that the portion of the tax burden raised from property taxes is inappropriate. We concur that property taxes are an appropriate means to raise public funds needed to finance the delivery of public services related to property. However, property taxes should not be levied to finance public services for citizens, as is the current practice.

Rural infrastructure investments: Municipal roads and bridges are essential components of Ontario's transportation network, as they connect communities and provide access to economic opportunities. Restoring Connecting Link funding in the budget will help municipalities invest in critical projects across the province. Rural infrastructure is critical to the ongoing competitiveness of our farming sector and to attracting new business and manufacturing to rural Ontario. Infrastructure investment must include rural transportation. Ontario needs to restore provincial funding for Connecting Link.

Ontario needs to ensure its rural residents have access to a similar range and quality of services in infrastructure as their urban counterparts. Provincial investments are needed to ensure rural Ontarians have similar access to health care, child care, education, Internet access, maintained infrastructure, and services delivered by municipal governments.

Ontario farmers stress the importance of investments in rural infrastructure. Properly maintained roads, bridges and culverts allow farmers to transport their inputs to and their products from their farm businesses. Infrastructure enables farmers to do business.

Rural infrastructure is critical to the ongoing competitiveness of our farming sector and to attracting new businesses and manufacturing.

The Ontario government must ensure that Ontario farms and businesses have access to physical infrastructure capable of handling the current and future needs. This includes accessible, affordable, high-quality health care, schools, child care and other public services that our urban counterparts can more readily access. They're also vital to keeping our rural communities thriving and to attracting, again, new investment.

As indicated at the beginning of my presentation, the pre-budget submission addresses 12 areas of concern for

the farm community. I have only prioritized three here today. I ask that the committee take into consideration all 12 areas, and recommendations for each, as you prepare for the upcoming provincial budget.

Once again, I thank you for the time and the opportunity to present today on behalf of the Ontario agriculture sector.

The Chair (Ms. Soo Wong): Thank you very much for your presentation.

Mr. Clark or Mr. McDonell? Mr. McDonell, you may begin your questioning.

Mr. Jim McDonell: Thank you, Jackie, for coming out today. I know, through my time in this community, that you've been a very big advocate for agriculture and put a lot of work into it, so I thank you for all your time.

You started out with natural gas. I go through last fall, where a number of people I knew left their crops in the field—because the cost of propane was so high—with the hope that in the springtime, they would be able to harvest the crop, which, for the most part, was a failure, as they lost most of it. Maybe you could just elaborate on the importance of natural gas.

Ms. Jacqueline Kelly-Pemberton: As discussed and outlined in the documentation, farmers need to remain competitive and have the tools in their toolbox to get their product to market. With the rising costs of electricity and other mechanisms, they're looking for this infrastructure to meet their needs.

As you may or may not know, most farmers are price-takers and not price-makers. The prices we see for our products are commodity-driven, so it's not as if we can correlate the rising costs of electricity into our product as we sell it, because it's driven by commodity.

Mr. Jim McDonell: Yes. I think I would just add that it is something that I think has a larger penetration in the States, where there is direct competition. It is a benefit that not only farmers, but the rural areas that support farming, lose out, for the most part, so it is an important item.

You talked about some of the taxing. The farm tax rebate is a large issue, something that used to be paid by the province. Now it's essentially 100% funded by the people who are supposed to benefit from it, the rural area. I think you made a point about how these are large tracts of land that really don't require a lot of tax, but when you take out that income, it penalizes the farming industry, which is our number one employer in this province.

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Ms. Jacqueline Kelly-Pemberton: It's true that we need to look at the downloading of costs to rural municipalities and how they manage their tax base. In our area, we are a very agricultural-based community and there are, as you say, large tracts of land that are taxed for services they don't need, require or receive. We need to look at that structure to make it more fair and to help the municipality achieve the needs that they require to make our communities strong.

Mr. Jim McDonell: Because we aren't only penalized by the farm tax rebate. When it comes to the gas tax, it's

another area where we don't qualify. Generally, in rural areas, we don't have transit; we just have cars, so we don't get funding for transit in the country. Again, I think as you point out, we're an area where we don't get a lot of the services that you would get in the city. On top of that, we lack the funding for it.

The Chair (Ms. Soo Wong): I think Mr. Clark has a question, Mr. McDonell.

Mr. Steve Clark: Jacqueline, I just want to thank the Dundas Federation of Agriculture and all your members for your support on Kemptville college. I note that in your presentation you talk about agricultural research and education, trying to meet the Premier's agri-food challenge. I think it has been pretty clear by your members that the only way we're going to meet the Premier's job numbers is with a robust agriculture education program, and I would just love to have your comments. It's great that I've had your support to have the government finally make an agriculture commitment to Kemptville. If you have anything to add on behalf of your members, I'd appreciate hearing it.

Ms. Jacqueline Kelly-Pemberton: I think the members in eastern Ontario were very supportive of continuing education for the agriculture sector in Kemptville. As we lay out here, it is very important to have access to high-quality education. As an industry, we're asked again and again to meet the challenges that the province requires to achieve your commitments and your goals, and that requires a strong educational facility.

With the technology, we're advancing in leaps and bounds. We're struggling to find suitable employees who have the skill sets to attain those services that we require. When our children have to go such distances to be educated, there's a loss at the home for that because they are still required to work on-farm and help at the home community. In effect, they bring that education back. In fact, they teach their parents, and that's vital for succession and the future of agriculture.

Mr. Steve Clark: Thank you very much.

The Chair (Ms. Soo Wong): Thank you very much for your presentation, and your written submission as well. And thank you for coming early.

Ms. Jacqueline Kelly-Pemberton: No worries.

The Chair (Ms. Soo Wong): I'm going to do a last call for the Grain Farmers of Ontario. Are they here? Going once. I guess not.

ONTARIO HEALTH COALITION, CORNWALL CHAPTER

The Chair (Ms. Soo Wong): The next presenter is the Cornwall health coalition and Cornwall and District Labour Council. Are they here? Yes, okay. Are you Elaine MacDonald, the chairperson?

Ms. Elaine MacDonald: Yes.

The Chair (Ms. Soo Wong): Welcome. Come on down. Sit anywhere there; the microphone will be turned on. Ms. MacDonald, you have 10 minutes for your presentation and five minutes for questions from the commit-

tee members. This round of questioning will be from the official third party. Okay?

Ms. Elaine MacDonald: Very good.

The Chair (Ms. Soo Wong): You may begin, and please identify yourself and your position with the council for Hansard purposes. Thank you.

Ms. Elaine MacDonald: Thank you. I'm Elaine MacDonald. I'm the co-chair of the Cornwall chapter of the Ontario Health Coalition, and it's in that capacity that I'm speaking to you today. Thank you very much for giving us this time.

The Ontario Health Coalition, by way of an introduction, is the largest public interest group on health care in Ontario, representing more than half a million people in our network. We have more than 400 member organizations and we are comprised of a network of more than 70 local chapters, of which Cornwall is one.

Our mandate is to uphold single-tier public medicare under the principles of the Canada Health Act. We encourage democratic public debate about public policy decisions and advocate for the public interest in health care.

In addition to the work each coalition does locally, we hold a provincial assembly each fall for representatives from all of our member groups, where we monitor the state of public health care in the province. So the concerns I express here today arise from both our local collaborations and from observations shared by members at the provincial assembly.

Our local coalition brings three concerns. The first is province-wide. It is the government promotion of private clinics and the progressive, piecemeal privatization of the public system that it entails. It's early days in this movement, but we fail to see any long-term good coming of it beyond the shortened wait times for a few, which hardly balances the grave danger to the integrity of the public system. Our second concern is closer to home: the underfunding of long-term care and home care in the Champlain LHIN and, finally, the simple, irrefutable fact of the indirect but very real inaccessibility that long-distance health care entails.

Regarding the private clinics, our fears of progressive privatization come from the government's position as articulated in the 2012 policy summary Ontario's Action Plan for Health Care. We agree with the premise that there are many shortcomings to the current system and that the government has a lot to do to meet the needs of the population, but we feel the course outlined in the document will take us in the direction opposite to the goal. In the action plan, the government commits to the relocation of medical procedures to private, non-profit clinics. Actions and policy moves subsequent to the publication of the document bear out our fears.

Furthermore, in spite of the government's avowed support for non-profit private clinics as articulated in the document, most of the private clinics that are springing up are for-profit clinics. For-profit clinics disenfranchise the mass of the population; they increase the cost of health care, with the user making up the difference from

supplemental private insurance or out-of-pocket payment; and they create a two-tier system, which is contrary to the principles of medicare.

Furthermore, the viability of our public hospitals is challenged by the development of private clinics because, as the clinics develop, our community hospitals take one more in a long series of hits. Private clinics performing diagnostics and surgeries destabilize our public community hospital budgets and funding. As procedures are moved out of the hospitals into the community, into private clinics, funding for those services follows and hospital budgets are further hollowed out than they are now.

Furthermore, given the hospital capacity and responsibility for acute care, we anticipate that private clinics will skim the easy, less complex procedures off the top and leave the more complex and costly ones for the hospitals, increasing the strain on their budgets in a system that funds procedures by number rather than by case challenge or complexity. With annual increases to base funding of hospitals at 0% for three years now, the hospitals are stretched to the breaking point, and the development of a system of private clinics will increase the pressure on them.

The hospital system in Ontario has been stressed and compressed beyond reason, with 20 years of restructuring, which has entailed amalgamations, downsizing, bed cuts and whole hospital closures. Given the turbulence of the amalgamations, downsizings, closures and contracting-out of services, and the stress of a 0% annual increase, cuts are inevitable, and they continue to occur.

Last year in Cornwall, four lab positions were cut as our hospital assigned its lab services to EORLA. Like every other cut, the move was presented in terms of enhanced patient care and cost-effectiveness, but we think that they are the inevitable results of budgetary rationing, of making do, rather than voluntary choices to better serve patients. We think that the government has to realign its priorities with the needs of the people of Ontario. This isn't health care reform we're experiencing; it's a progressive dismantling of the public system and a shifting of responsibility and funds to the private sector.

This brings us to the second area of concern: the inadequacy of the home care system. Delivering care where people want to receive it and ensuring that they are cared for in place, at home where they want to be, with the government providing appropriate care at a fraction of the institutional cost, would suit us all, from taxpayers to politicians to patients. We wish it were so, but we recognize that only the first part of the transformation in care has taken place. The beds have been closed—some 1,800 since 1990—and the hospital services have been constricted, but the home care infrastructure needed to replace the institutional resource is wanting. Long waitlists are endemic throughout the sector and always have been, with supply nowhere near the demand. This fall, in the face of a huge budgetary deficit at the CCAC level within the Champlain LHIN, there were drastic cuts made to home care services. In October, some 500 home

care patients were reassessed and discharged, with no change or improvement in their condition. They weren't declared well or whole; they were simply victims of the LHIN's response to a budgetary shortfall in the millions of dollars. People simply didn't qualify for care anymore. The benchmarks had shifted upwards, so a patient needed to score 14 plus in acuity measures, on a scale of 28. At the same time, in 2014, the CCAC and the Champlain LHIN experienced a 20% increase in referrals, a 36% increase in the number of clients who needed ongoing care and only a 6% increase in funding from the Ministry of Health. This is not reform of the system; this is abandonment of the system. The province's Home First policy is rendered meaningless in the face of home care cuts.

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Sadly, as the public system has demonstrated to be inadequate, people will seek out alternatives. They won't make an explicit choice of a private resource over a public one, but they will simply access the only recourse available, which may well prove to be private, if the government continues to starve the public system and divert resources to private for-profit clinics. People are losing confidence in the public system because, too often, it's just not there for them. I know a number of individuals who supplement their access to public health care in Ontario with private insurance, or membership in private health groups, so they can get the care when they need it. We're seeing a kind of backdoor creeping privatization in the system, and the government, through its neglect and failure to sustain the system, is complicit in the privatization, in spite of election promises to the contrary. Sadly, the purchasers of private insurance are too often politicians.

I hope I haven't missed a page. I had prepared—

Ms. Catherine Fife: No, you haven't.

Ms. Elaine MacDonald: No? Very good.

Shortages and rationing of services are just plain wrong and they call out for a response—I did miss one important point. I didn't want to dwell on long-term care because I know our MPP has been very diligent in working to bring the government's attention to the dearth of long-term-care beds. In spite of Chantale LeClerc, the CEO of the Champlain LHIN, saying that we have more beds per capita than other LHINs in the province, our local reports indicate otherwise. So I hope that will get sorted out, and I thank MPP Jim McDonnell for being on that case.

Shortages and rationing of services are just plain wrong, and they call out for a response, and the only reasonable response is greater investment. The Standard-Freeholder edition of Wednesday, January 21, reported that the Community Support Coalition for the eastern counties has approached the counties council of SDG for a 10% hike in the annual support they give the coalition, which has been necessitated by a freeze in government dollars.

One of the challenges the Community Support Coalition faces is responding to clients' growing transportation needs—and that's a convenient segue to our third concern. There is no area in which people feel so

abandoned as in the distance they must travel to access care and the length of time for which they have to wait for it. Since the LHINs were established in Ontario and services have been moved into centres of specialization, people experience many disconnects between their health care needs and the resources they can access. Accessibility is, after all, one of the five principles of medicare, and people need to experience easier, closer-to-home access. That cancer care is apparently coming to the Cornwall Community Hospital is a welcome and essential prospect. But other procedures, too, are routinely referred to Ottawa for treatment. Travel arrangements constitute an extra layer of expense and stress, over and above medical considerations, especially—

The Chair (Ms. Soo Wong): Ms. MacDonald, can you wind up your presentation, because you had 10 minutes—I know you have given us a written submission—and also to allow the time for Ms. Fife to ask you some questions about your presentation?

Ms. Elaine MacDonald: Sure.

The Chair (Ms. Soo Wong): Ms. Fife.

Ms. Catherine Fife: Thank you very much, Elaine, for coming in and sharing some of the specific concerns for this area. There is obviously some crossover, especially with the north, because the travel distances are a commonality.

The creeping privatization: This is a real issue, and with every year it's getting worse and worse. Do you want to speak to the quality of that care? The CEO of our local hospital calls those colonoscopy clinics Scopes R Us, because they're done outside of the hospital centre, and only if there's a complication do they end up, of course, back relying on the hospital—

Ms. Elaine MacDonald: Yes, I know. And it's not just the quality of care, which has been demonstrated to be substandard in many instances, but it's the fact that the private clinics frequently extra-bill. They are, in effect, setting up a direct challenge to the Canada health care system, and governments seem to be reluctant to regulate them in any meaningful way. In fact, the specific instance that's on everybody's mind right now being enacted in BC with Brian Day—I think it's his challenge to the government rather than the government attempting to regulate his private clinics that has caused the case to be in the courts.

Ms. Catherine Fife: And the billing, I think, is also a problem, right? If you're a for-profit private clinic and you have a parameter to charge for a colonoscopy, you're going to charge the most amount of money.

Ms. Elaine MacDonald: Absolutely.

Ms. Catherine Fife: The contracting out of lab services as well has been brought to our attention. There's a duplication there; it's costing more. We've heard about the contracting out of food services, and we know the connection between health and nutrition on folks—also, even housekeeping. Do you really believe that this is a progressive dismantling, with intention, of the public health care system?

Ms. Elaine MacDonald: Oh, I think so, especially the more I read about the issue as a follow-up to the assembly that I went to in the fall. Do you know that there are now 800-plus private clinics in Ontario? This has been established by the CBC, not by our coalition, though we accept their figures. Only 3% of them are non-profit clinics. So even on the face of it, they are designed to gain profits.

Ms. Catherine Fife: Did you want to touch a little bit on the LHINS? Because I noticed that some of my colleagues were smiling at that last comment. The LHINS were supposed to bring a local approach to health care. Do you want to speak to what's actually happening on the ground?

Ms. Elaine MacDonald: What many of us experience—we're very grateful, by the way, for the care that we can access in Ottawa or any other centre to which we can go with an appointment. But the fact is, you tack on three hours of travel time to an appointment when you have to go to Ottawa for it. Obviously, it's not just the specific treatment or procedure that you need that could be the end of a whole series of tests; you go to Ottawa for all the tests, too, that are preliminary to the treatment. Even today, there was an article in the Citizen about the wait-lists coming down at the University of Ottawa Heart Institute, but so often, there are wait-lists within wait-lists, which, added to the distance you have to travel for health care, make repeated trips necessary. That means time off work for somebody to drive a patient to Ottawa—because it is a three-hour trip.

At the same time, we have a wonderful hospital in Cornwall that is undergoing the fifth year of its reorganization and redevelopment, but services are continually being moved out of that hospital. So at the same time that people have to go to Ottawa, our own hospital is being compressed, robbed and gutted, I have to say. I think this is just wrong-headed. It's okay to travel for a specialist, but when travel becomes the routine, the norm, in accessing care, it's gone too far.

Ms. Catherine Fife: And so your specific requests around this budget—because the \$52-billion budget item is health care. Do you want to identify where you would prioritize funding in that system?

Ms. Elaine MacDonald: Well, what I would do: I'd start with the Ontario bank account, I guess I'd say. I think Ontario, through years of progressive tax cuts, has literally diminished its resources to be able to deal with health care, education and many of the social programs. I think what the government has to do is get serious about collecting revenues. I know that when Don Drummond was commissioned to do his report, he wasn't allowed to address the revenue side of things at all. He was supposed to only look at spending, which is looking at half a problem and trying to come up with a whole solution, which I think is no way to go. So I think in addressing health care and every other—

The Chair (Ms. Soo Wong): Thank you, Ms. MacDonald, for your presentation and your written submission.

Ms. Catherine Fife: Thank you, Elaine.

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SEAWAY VALLEY COMMUNITY HEALTH CENTRE

The Chair (Ms. Soo Wong): I believe the next presentation will be from Seaway Valley Community Health Centre. Is Debbie St. John-de Wit here? All right.

Good afternoon. Welcome. Please have a seat. As you heard earlier, you have 10 minutes for your presentation, followed by five minutes of questions. I think this time the questions will be from the government side. When you're ready to begin, please identify yourself and your position with this particular health centre. Thank you.

Ms. Debbie St. John-de Wit: Good afternoon. My name is Debbie St. John-de Wit. I'm executive director of Seaway Valley Community Health Centre, located here in Cornwall.

Thank you for the opportunity to appear before the Chair and the committee to provide the perspective of the community health sector on the 2015 Ontario budget. I'll begin my presentation by providing information about the community health sector, known herein as the CHC, and about our own centre here in Cornwall. I'll then provide an outline of the main issues we are facing, each followed by budget recommendations to this committee. I'll happily answer any questions you have following my presentation.

I've created speaking notes that are considerably shorter than the presentation in front of you, but I think it will be easy enough to follow. I've highlighted our key recommendations in red and bold.

As an introduction to the sector, Ontario's community health centres are not new. In fact, they've been around for over 40 years. CHCs were inspired by the idea of Tommy Douglas's original vision for medicare. Douglas hoped that our health system would evolve to a point where the focus was more on keeping people well, not just treating them when they were sick. In order to do this, CHCs were designed to deliver primary care in combination with health promotion and illness prevention services, with a strong community development focus. So in addition to promoting the health of individuals and families, community health centres specifically implement initiatives that address those social, economic and environmental problems that negatively impact people's health and well-being. We share a strong commitment to advancing health equity, and we recognize that access to the highest attainable standard of health and wellness is indeed a fundamental human right.

Seaway Valley is a community-led, not-for-profit organization funded 100% through the Champlain Local Health Integration Network. However, many of the services we offer are delivered through innovation and in-kind contributions with several organizations. For example, we operate a satellite office in North Dundas county, in Winchester, where we deliver primary care in space that's 100% donated by the municipality. Other partnerships include working with the University of

Ottawa Heart Institute to deliver a cardiac rehab program locally; with the memory disorder clinic from Champlain, working with the CCAC; we have addictions counselling services offered in-house through Cornwall Community Hospital; and many, many more. Indeed, we have more partnerships than we have services funded directly through the Champlain LHIN.

All of those innovative programs and partnerships do not cost taxpayers one additional dollar. They're designed using a common-sense approach to local service delivery.

Seaway Valley is one of 75 community health centres in Ontario with a specific mandate to serve marginalized populations who traditionally face barriers to accessing health services. You no doubt are familiar with a CHC in your riding providing services to vulnerable people, including seniors, low-income individuals and families, the GLBTQ community, newcomers to Canada, people with disabilities, francophones, aboriginal populations and those living in rural and remote communities.

May I remind you that community health centres are the only primary care model in Ontario funded to provide health services along with a range of health promotion and community development services. I can assure you, we are making a difference.

We support the government's decision to move services to the community. In 2014, the government committed to increasing overall funding for home and community care services by an average of over 5% annually over three years. We also supported the government's move to improve the minimum wage for personal support workers in community care, new initiatives on pension plans to alleviate poverty for seniors, and increased taxes for high-income earners. As income inequality is perhaps the most significant social determinant of health, these measures were welcomed. Our recommendation is to ensure that part of that 5% funding increase be dedicated to community-governed primary health services, to organizations who have not seen cost-of-living adjustments since 2011-12.

We are pleased that the government is working on the evolution of health links, and we support the direction towards coordinated local care and primary care for every unattached patient. Incidentally, our community is cited as the top hot spot in the Champlain region, with the greatest gap in primary care services, in an area where the population has the highest health care needs. We're considered part of those individuals who consume the most health care resources. I ask this committee to ensure the flow of sufficient resources to support our basic infrastructure needs, in order that CHCs can take an active and a lead role in implementing the progressive health links recommendations coming forward. These will support our high-needs populations.

To improve health outcomes, we must ensure unattached clients have access to a health care provider. Many CHCs are having trouble recruiting and retaining health care professionals such as nurse practitioners, or NPs. Did you know that NPs in the CHC sector are paid at a much lower rate than those working in the CCAC sector and long-term-care homes in Ontario? The govern-

ment has increased the nurse-practitioner scope of practice and responsibilities, but has frozen their salaries in the CHC sector for the past six years. Salary corrections must be made to be fair, equitable and competitive in order to ensure staff retention within our sector. If this salary disparity persists, NPs will continue to leave the sector, an issue further compounding staff shortages in our rural areas.

Next, the government must add new base funding to hire more primary care professionals. The government committed to address recruitment and retention issues for primary care as part of the primary care guarantee, and we are asking that this promise be acted upon in 2015, to help keep people healthy and out of hospital, and to save the health care system dollars.

Seaway Valley, in collaboration with the Eastern Ontario Health Unit, delivers the Healthy Smiles program, which provides oral health to children and youth 17 years and younger whose families cannot afford dental care. This service improves the child's physical health, and also improves their emotional self-confidence and overall state of well-being. I commend the government's decision in the 2014 budget to extend public dental programs to low-income adults and seniors, but I have to tell you that I am disappointed that you are planning to wait 10 years, until 2025, before following through on this important promise.

In 2012-13, in Cornwall alone, 879 visits to the emergency department could have been averted with preventative dental care. At a minimum cost of \$513 per hospital ER visit, in Cornwall alone almost \$451,000 could have been spent last year on prevention, instead of on acute care. There is a lack of awareness of the importance of oral health. We want to communicate its importance, and we expect the government to invest and deliver oral health services as they have other health promotion activities, such as vaccinations and anti-smoking campaigns.

People with oral health problems cannot endure 10 more years of pain and suffering, so I ask that you please take action now during the government's four-year mandate, and invest in CHCs and aboriginal health access centres to extend public dental programs to cover low-income adults and seniors.

CHCs see first-hand the impact that poverty and low income have on people. Poverty is one of the biggest barriers to good health. We believe that the 2015 provincial budget presents an opportunity for the government to invest in a wide range of social determinants of health. We tend to focus downstream by treating people when they are sick. However, we need to put energy and focus on an upstream approach in order to improve health and well-being, to avoid higher costs of sickness care in the future.

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We urge the government to continue its investment in the Ontario Poverty Reduction Strategy. In doing so, we ask this government to use the social determinants of health as a lens to develop policy and to prioritize investments that will impact positive health outcomes.

In closing, CHCs believe that good health is much more than something you can get in a medical clinic. We believe that better health begins in our homes, in our schools, in our workplaces and in the communities where we live. Our goal is to work towards a complete state of well-being for individuals, families and the entire community. We ask the government to build a budget with a focus on health and well-being.

Thank you very much for your time, and I'd be happy to answer your questions.

The Chair (Ms. Soo Wong): Thank you for your presentation and your written submission. I believe Ms. Hoggarth will begin the questions from the government side.

Ms. Ann Hoggarth: Thank you for making time to be here today and for your presentation, Debbie. I'm sure that you do make a difference, and we all appreciate the work you do here in this community.

CHCs are key components of our health care system, and organizations like Seaway Valley provide culturally-based care to diverse groups through medical and allied health services.

When our government came into office in 2003, there was a major health care infrastructure deficit in this province. How has our government's capital investment made a difference to the communities you've served?

Ms. Debbie St. John-de Wit: Well, the difference capital investment made for us in this community is the Seaway Valley Community Health Centre in and of itself. We opened in September 2010. Before that, the services that are identified in the document that I've provided you with and those I described were delivered in Ottawa, not locally. Centre de santé communautaire de l'Estrie is available in Cornwall, so the francophone population did have access to many of the services, but locally, only since 2010 has the community health centre existed. So the capital funding certainly helped in that way; it built the whole new centre.

Ms. Ann Hoggarth: Great. I'm going to turn it over to my colleague Mr. Fraser.

Mr. John Fraser: Thank you very much for your presentation—very thoughtful. The work that you do at the CHC is very important work. Southeast Ottawa is in my riding. There are 13 CHCs in Ottawa. You do serve a very specific and important part of the population which is very hard to reach. It's different in each community. Where I'm from, in Ottawa South, there's a very diverse community with a lot of new Canadians.

I wanted to say one thing to you about the nurse practitioners. We've heard that message about the nurse practitioners in the sector and the challenge with recruitment and retention. That's something that we're looking at and that we're trying to focus on. We do recognize that that's a challenge there, that disparity that exists, and it is significant.

I wanted to ask you about health links. Here in Cornwall, are you part of a health links proposal?

Ms. Debbie St. John-de Wit: We're very much part of health links.

Mr. John Fraser: Okay. Tell me a bit about that.

Ms. Debbie St. John-de Wit: I'd love to. The first two meetings, actually, were spearheaded by Seaway Valley Community Health Centre. We brought the partners to the table, and then as collective partners in this community, we selected the community mental health and addictions program to be the lead. Seaway Valley is co-lead in organizing the health links in this community. We're in the midst of writing the business plan, which is due March 13, so we're very busy at it right now.

Mr. John Fraser: Lots of work to be done. Those are fairly significant proposals.

In terms of primary care, what are you looking at in terms of an investment in primary care? Are you talking about physicians or nurse practitioners or—

Ms. Debbie St. John-de Wit: Thank you for the question. The Champlain LHIN cannot advocate on our behalf for physician funding. That has to go through the Ministry of Health. So the ends don't meet there. We need physicians in this community, but the LHIN, which is our primary funder, cannot support us and help us in that way. There's no direct mechanism to receiving funding for salaried physicians through the LHIN and no obvious mechanism through the ministry to make that occur. We're working with our LHIN for an addition of nurse practitioners because that's what they're able to support, and that's their responsibility.

We have an ask in to the LHIN right now for three additional nurse practitioners for Stormont-Dundas-Glengarry county, including the city of Cornwall. We're hopeful that that will occur. If the salary, which is a \$25,000 disparity, doesn't catch up soon, even if we are successful in receiving approval in those three positions, we'll be hard-pressed to recruit them.

Mr. John Fraser: I do recognize that the CHC in my community as well would like to expand their primary care, mostly to deal with—am I running out of time?

The Chair (Ms. Soo Wong): One more minute.

Mr. John Fraser: One more minute.

That's why I wanted to see how you were approaching that. Again, I understand the challenge that—

Ms. Debbie St. John-de Wit: We'll be looking to nurse practitioners, because that's within the purview of the Champlain LHIN.

This community is losing, I think, 14 physicians in the next couple of years through retirement, and if we haven't got the physicians to replace them—and there's no mechanism that's obvious right now—we're not going to have them in this community.

Mr. John Fraser: How would you describe the demographic, the population that you serve here? Just for my own edification and the committee's edification.

Ms. Debbie St. John-de Wit: We're just about 20% seniors in the population. In the population we see in the community health centre, 44-to-64 is the greatest population with the highest health needs. Some 49% of the clients we serve—in a survey done in December 2014—have a combined household family income of less than \$25,000 a year. That's the demographic we're serving.

Mr. John Fraser: Thank you.

The Chair (Ms. Soo Wong): Thank you very much for your presentation.

Before I adjourn the committee, I just want to put this out on the table: Are there any other questions—I know Ms. Fife asked a question—for the researcher for extra information for the committee? Are there any questions outstanding for the committee members that Susan can take back before the final reports go to the minister? Anybody?

Ms. Hoggarth.

Ms. Ann Hoggarth: I'm new at this. If there's a presentation that we believe may have some errors in it, do we have to do that? Do we have to go back and find them all?

The Chair (Ms. Soo Wong): No, no, no. If there are any questions—let's say, for instance, for the witnesses for today or the last three days, that you want some clarity to their presentation in terms of facts and information. Here's an opportunity for the researcher—am I correct, Mr. Clerk?

Interjection.

The Chair (Ms. Soo Wong): Yes? Okay. So if there are any questions from the presentations today or the last three days that you have heard, that you want some clarifications in terms of data or that kind of information, here's your chance.

Ms. Ann Hoggarth: I'm sorry. I wish I'd known that at the beginning, because I thought—

The Chair (Ms. Soo Wong): No, you can still ask.

Ms. Ann Hoggarth: Well, it's a little late to go back.

The Chair (Ms. Soo Wong): Okay. Mr. McDonell—

Mr. John Fraser: I just want clarification: We did hear some issues around a business comparison of diagnostic scans. I think it was a PET scan here in Ottawa. The figures are around the population base and the funding that exists for those ones in Champlain and throughout the province. I'd just like to know that.

The Chair (Ms. Soo Wong): Okay. You've got that, Susan? Okay.

Mr. McDonell?

Mr. Jim McDonell: There was some talk about the long-term-care bed requirements locally. I'd just like clarification. We've asked for some documentation around the needs versus the facilities.

The Chair (Ms. Soo Wong): Okay. You've got that, Susan?

Ms. Susan Viets: No, I didn't quite catch that. Long-term bed requirements locally and—

Mr. Jim McDonell: Versus the facilities that are available.

Interjection: Needs versus facilities.

Mr. Jim McDonell: Yes.

The Chair (Ms. Soo Wong): Needs assessments. Okay?

I'm going to ask—I haven't asked any questions for the last four days—

Interjection.

The Chair (Ms. Soo Wong): Yes, I've been very quiet. I've been very quiet.

This morning, we heard the Earth Rangers presentation, and the witnesses talked about the presentation's

focus on young people being in the schools. I think the brochure talks about it. I just want to know what the provincial funding is, through the Ministry of Education, with respect to green initiatives dealing with the schools. Very clearly, they are right there, front and centre. I know that in my district, every single school is recognized as a green school. Therefore, there's something amiss here, because they're asking for over \$1 million over three years. I want to know what percentage of the provincial education curriculum deals with this kind of initiative.

Mr. Clark?

Mr. Steve Clark: Well, you know what, Chair? Now that you have brought that up, that got me thinking as well. The very first group today also talked about accessing, or that they have accessed, money from the Land Stewardship Program. So I think it would be important as well to get sort of an overview of the last five years of how the government has funded the Land Stewardship Program. I think it would be pertinent to the rangers' request for funds.

The Chair (Ms. Soo Wong): Just so people understand, my question is for the benefit of the committee, because we know, okay? The other thing here is—

Mr. Steve Clark: So is mine.

The Chair (Ms. Soo Wong): Okay, that's on the table.

For the benefit of the committee, we heard this morning from the Cornwall hospital CEO as well as previous witnesses the last couple of days in Fort Frances and Sudbury about the IT issues. I recall that the ministers, the current one and the previous one, made some announcement about IT. The question for the benefit of the committee, and moving forward, for the minister, is where that IT announcement went. Very clearly, we heard that announcement; all of us did. We heard this morning from the Cornwall hospital CEO, we heard it from community health centres, the aboriginal health centre—they all claim they didn't get any IT. So can the researcher, for the benefit of the committee, clarify and get some data for us to support? Because very clearly, there were announcements. So what did the LHINs and various parties—where did that disbursement of the IT funding province-wide go?

Any other questions for the committee? All right. Mr. McDonell?

Mr. Jim McDonell: I just have one final submission that I think people have got, but in case they haven't, maybe I could supply it. It was handed to me and went to many people around the committee.

The Chair (Ms. Soo Wong): Okay, so you're going to submit that? Okay. Mr. McDonell has one more report to share with the committee, and we will make sure everybody gets a copy. The Clerk will make sure of that piece.

Okay. Thank you, everybody. We're going to adjourn the committee until next Tuesday at Fort Erie.

Interjection.

The Chair (Ms. Soo Wong): That's right. Thank you. Have a great afternoon.

The committee adjourned at 1452.

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Mardi 27 janvier 2015

**Standing Committee on
Finance and Economic Affairs**

Pre-budget consultations

**Comité permanent des finances
et des affaires économiques**

Consultations prébudgétaires



Chair: Soo Wong
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LEGISLATIVE ASSEMBLY OF ONTARIO

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON
FINANCE AND ECONOMIC AFFAIRSCOMITÉ PERMANENT DES FINANCES
ET DES AFFAIRES ÉCONOMIQUES

Tuesday 27 January 2015

Mardi 27 janvier 2015

The committee met at 0900 in the Clarion Hotel and Conference Centre, Fort Erie.

PRE-BUDGET CONSULTATIONS

The Chair (Ms. Soo Wong): I'm going to call the meeting of the Standing Committee on Finance and Economic Affairs to order. Good morning. We're here in beautiful Fort Erie, so I want to welcome everybody.

Today we are hearing from witnesses from Fort Erie. I believe we're going to have two conference calls this morning, so I want to start on time.

WINERY AND GROWER ALLIANCE
OF ONTARIO

The Chair (Ms. Soo Wong): Welcome, gentlemen. Your presentation this morning will be 10 minutes in duration, and then five minutes for members of the committee to ask questions. This round of questions will be from the official opposition party, because we rotate in terms of asking questions.

You may begin any time. Please identify yourself and your position with your organization, the Winery and Grower Alliance of Ontario. Welcome.

Mr. Del Rollo: Thank you very much. Good morning. My name is Del Rollo. I am the secretary-treasurer of the Winery and Grower Alliance of Ontario as well as a director of eastern estates and industry relations for Constellation Brands Canada.

Accompanying me is Patrick Gedge, president and CEO of the Winery and Grower Alliance of Ontario.

The WGAO is the only trade association in the Ontario wine and grape industry that is composed of both wineries and independent grape growers. Our members produce 85% of all wine in Ontario, purchase over 85% of all the grapes grown by independent farmers in the province, and operate the largest iconic tourism wineries in the province, such as Inniskillin, Peller Estates, Jackson-Triggs, Trius Winery at Hillebrand, Château des Charnes etc. We represent 89% of all exports of Ontario wines to some 73 countries around the world.

We are going to try and be brief and focused today, given that the session specifically relates to the upcoming Ontario budget.

Every single person who deals with the wine and alcohol file comes away with the realization that, "This is

really complex." We could not agree more, and our major role as an association is to inform and share facts and experience about the industry with government.

More often than not, there are unintended consequences that need to be understood and analyzed before final public policy decisions are made. Not surprisingly, we need to correlate any discussion of the budget with the upcoming report by the Premier's Advisory Council on Government Assets, which includes the LCBO. We have found the council to be very consultative and transparent about their activities, and we have had, and continue to have, meaningful dialogue with them.

Our core message to the council and to government is that our \$3.3-billion, 14,000-job industry creates jobs and investments in the province through agriculture, manufacturing, retailing and tourism. Every bottle of Ontario wine sold generates \$39.67 of economic impact for the province. Imported wines are our competitors, and they create jobs and investments in Italy, France, California, Australia, Chile etc.

The best and most sustainable source of increasing revenue to the government is through supporting the growth of the domestic wine and grape industry in Ontario, not in other countries. The driver of such growth is an increase in the sales of Ontario VQA wine—25% of Ontario wine sales volume—and international Canadian blends, ICB wine: 75% of Ontario wine sales volume.

Both of these categories of Ontario wine compete against imported wines, VQA against Appellation wines over \$10, and ICB against imported value wines under \$10.

In every speech by the Premier and all the ministers, the public policy goal of increasing jobs and investments in Ontario is emphasized. This in turn produces more sustainable revenue to the province.

The LCBO is an asset of the provincial government, and, as such, was included in the scope of the Premier's advisory council mandate.

Now I'd like to turn the floor over to Patrick.

Mr. Patrick Gedge: Thank you. We strongly recommend that the government leverage the government asset called the LCBO to both generate provincial revenue and grow Ontario businesses, jobs and investments at the same time. Through this leveraging of the LCBO, there is absolutely no reason that we could not grow the economic impact of our industry from \$3.3 billion to \$5 billion by the year 2020. We doubt that there's a consumer or a

taxpayer in the province who would disagree with this sentiment and logic.

The LCBO has an extensive network of 650 full-service stores and 219 agency stores in the province. Annual Ontario wine sales are \$128 million of VQA wine and \$272 million of international Canadian blend wine, for a total of \$400 million. Imported wine sales through the LCBO are \$1.39 billion—about \$1 billion more.

Our potential to grow the sales of both categories of wine is enormous. For example, the market share by value of Ontario wine sold through the LCBO is 20.5%. In British Columbia, the comparable number for BC wine sales through their liquor board is 42.8%—more than double. In many other provinces in Canada, the market share sale of domestic wine is higher in their liquor boards than that of the LCBO, home to the largest wine and grape industry in Canada.

The growth of new, sustainable revenue to government and more jobs and investments by the Ontario wine and grape industry will come from leveraging the LCBO and its large network of talented and knowledgeable staff and management. With that growth comes a comparable increase in the demand for Ontario grapes, which is key to the agriculture sector, as well as regions such as Niagara.

To illustrate these impacts: An increase of 10% in VQA and ICB sales by the LCBO, in their general list, would represent an economic impact of \$163 million to the province. An increase of market share from some 4% to 10% for Ontario VQA wine through Vintages would result in an economic impact of another \$126 million to the province. This increase of VQA sales through Vintages would also be particularly beneficial for Ontario's small wineries and far exceed any other retail options under consideration. This added economic benefit, totalling \$289 million to the province, would result in new investments in jobs and agriculture, manufacturing, retail and tourism.

Finally, we are extremely aware that the province is also reviewing all options to increase revenue. While growing the economy is, in our view, the most sustainable way to generate revenue, we realize that there may be additional decisions made in the short term. We've identified a number of such opportunities to the Premier's advisory council, including the increase in minimum prices of wine through the LCBO, and potential increases in across-the-board markups. We would like to ensure that any such changes would impact domestic and imported wines in the same manner, so that the competitiveness of Ontario wines in the marketplace is not negatively affected. If there were any tax or markup increases just applied to the sale of Ontario wine, then the result would be reduced investments and reduced grape purchases in Ontario.

We're pleased that the Grape Growers of Ontario and WGAO have communicated the same messages to the council and government in a joint letter dated December

5, 2014, and together, we'll be meeting with the Premier's advisory council on January 28, 2015.

In conclusion, we have three very straightforward points to make which we believe Ontarians and taxpayers would support:

(1) Consider all proposals and ideas for the provincial budget through the lens of whether the economic contribution of the Ontario wine and grape industry and ultimate revenue to the government will grow or shrink as a result.

(2) Leverage the LCBO and its extensive store network to increase Ontario wine sales and market share, with the resulting positive economic impact on Ontario jobs and investments.

(3) Ensure that any proposals for the provincial budget not negatively affect the financial soundness and future growth potential of the Ontario industry, thus making it less competitive against imported foreign wines.

Thank you very much for your time and consideration. We look forward to your leadership in creating more jobs and investments in the province through the Ontario wine and grape industry, and we look forward to our discussion.

The Chair (Ms. Soo Wong): Thank you very much, gentlemen.

Mr. Arnott, do you want to begin the questions for our witnesses?

Mr. Ted Arnott: Thank you, Madam Chair, and thank you very much, gentlemen, for your presentation. It was interesting. We do appreciate the work that you do and the end product as well.

Mr. Patrick Gedge: Thank you.

Mr. Ted Arnott: I've got a couple of questions. You mentioned that the total impact of your industry in Ontario is around \$3.3 billion and about 14,000 jobs. Are those all-in numbers, in terms of the processing, the agriculture, the manufacturing, everything?

Mr. Patrick Gedge: Yes. There was an economic impact study done by a firm out of California called Frank, Rimmerman and associates, and we actually did it on a Canadian basis and then in each of the individual wine-producing provinces: British Columbia, Ontario, Nova Scotia and Quebec. So we had a common methodology, and it covered all of the sectors that we touched, both from a direct, indirect and induced economic impact.

0910

Mr. Ted Arnott: The industry goal that you've articulated quite effectively this morning is that you'd like to be a \$5-billion industry by 2020. Is there a jobs estimate associated with that increased amount of economic activity—another 6,000 or 7,000 jobs—

Mr. Patrick Gedge: Yes, our best estimate is—when it comes to economic studies, you can only use estimates. But our expectation is, by growing to \$5 billion, that would add another 3,000 to 4,000 jobs in the province.

Mr. Ted Arnott: You said that the market share by value of Ontario wine sold by the LCBO is 20.5%, but in BC it's more like 42.8%. What are they doing differently to double the result?

Mr. Patrick Gedge: It's a great question. The most fundamental issue, I think, is that British Columbia has been extremely committed to growing their domestic industry. In any speech that they make that even touches on the industry, they very explicitly identify their interest in growing the industry, their jobs and their investments in that province. They also have a number of programs that are similar to what we have in Ontario but are stronger incentives for the industry to produce more wine and sell it through their liquor board.

Del, do you have any comments?

Mr. Del Rollo: I agree with Patrick. Their government is very supportive. When you look at the similar programs that we have to them, you would just sort of take the government's commitment from the province and times it by 10. But our commitment is here. Then, when you look at their Premier, obviously, her riding is in wine country, and she's very dedicated—not to say that our Premier is not. But it's very, very important to that province.

Mr. Ted Arnott: This government has a propensity to look at the revenue side of the equation more so than the expense side, and they look for opportunities to raise the revenue more so than to reduce expenditures [*inaudible*]. But you said very clearly that if there's any tax or mark-up increase that's applied to the sale of Ontario wine, it will result in reduced investment in grape purchases in Ontario. I would assume that means those thousands of jobs that you're looking to create between now and 2020 would not materialize.

Mr. Patrick Gedge: Yes, that's the consequence of that. We're in an extremely competitive market environment. We can all have our discussion about the pros and cons with respect to the LCBO, and that's a much broader issue. But the reality is that when you go into any LCBO, which is the primary distribution channel in the province, we're competing against the world. So anything that affects the financial soundness of our wineries to be able to compete and invest in selling their products through the LCBO and direct to consumers etc. is something that's going to have negative impacts. Unlike many other industries, the profit margins of the wine industry are extremely low, so our ability to compete with the giants, globally, through the LCBO is, frankly—a very tough, competitive marketplace, and that includes investing a lot of dollars into marketing programs so that we are, in fact, able to compete in the marketplace.

So every dollar that we have that is taken away from our ability to compete is ultimately going to affect our sales and our market share, and we have to then make investment decisions based upon our ability to grow the industry and grow the wine sales through each of the wineries.

Mr. Del Rollo: I would just add to that that it's important to note that the wine industry, when companies are making decisions to invest—it takes four years for a grapevine to get to the point that you actually start harvesting the grapes. We have to age the wine for a period of 12 to 24 months. When there's a period of

uncertainty and we don't know what's going to happen, then we're not going to contract for more grape purchases, and we're not going to make capital investments if we don't know that there's going to be the support of the margins to be able to sustain that. It's not just a flip of the switch. That's why we need to have a period of calm, where we can actually operate our business, rather than every couple of years wondering whether or not there are going to be new taxes levied on the system or otherwise.

The Chair (Ms. Soo Wong): I think that's it, gentlemen. Thank you for your presentation and thank you for your written submission.

Mr. Patrick Gedge: Thank you so much. We appreciate it.

INTERNATIONAL ASSOCIATION OF HEAT AND FROST INSULATORS AND ALLIED WORKERS

The Chair (Ms. Soo Wong): The next group coming before us is the International Association of Heat and Frost Insulators. I believe it's Mr. Vince Engel—

Mr. Vince Engel: Good morning.

The Chair (Ms. Soo Wong): —good morning—and Dave Gardner.

Mr. David Gardner: Good morning.

The Chair (Ms. Soo Wong): Good morning. Gentlemen, you have 10 minutes for your presentation and five minutes for questions from the committee members. This round of questions will be from Ms. Forster for you. You may begin any time, and please identify yourself and your position for Hansard purposes. Thank you. You may begin.

Mr. David Gardner: Good morning, committee members. My name is David Gardner. I'm the Ontario business manager. Thank you very much for taking the time to hear from us this morning. I'm with the International Association of Heat and Frost Insulators. Joining me today on my left is Vince Engel, vice-president of western Canada for our association.

This morning we will be speaking with you about the benefits of mechanical insulation, which has the potential not only to save the provincial government money but also to reduce greenhouse gas emissions and put Ontario's skilled labourers to work. You'll find in front of you a brief for the PowerPoint presentation as well as a two-sided document which highlights the importance of insulation and what can be achieved by working with our association to promote its use in the province.

Mr. Vince Engel: Mechanical insulation is just what it sounds like. Our members and insulator tradespeople in Canada install materials that restrict heat loss or gain from mechanical systems, which ultimately increases the energy efficiency of those systems.

Insulators are industry leaders in health and safety through hazardous waste removal, such as asbestos, lead paint, etc., and fire prevention through the installation of fire-stopping materials and devices.

Of Canada's 15,000 insulators, there are approximately 1,800 in Ontario. The impact of our work extends beyond installation to the manufacturing sector, where insulation is manufactured in Ontario. There are two major plants in Ontario, one in Milton and the other in Ottawa, and I believe there are three other smaller facilities in Ontario that also manufacture insulation. Simply put, our industry puts the skilled trades to work and it's an important component of Ontario's manufacturing and construction sectors.

Mr. David Gardner: The benefits of mechanical insulation extend beyond employment. As mentioned earlier, use of mechanical insulation has the ability to significantly reduce greenhouse gas emissions. In fact, if mechanical insulation use were widespread across Canada, 4.3 metric tonnes of GHG emissions could be eliminated. We understand that the Ontario government has set ambitious targets for GHG reduction, and we are confident that we can help you in meeting these emission-reduction goals.

Mr. Vince Engel: Not only can insulation reduce emissions; it also increases energy efficiency. Properly installed and maintained insulation systems save up to 500 times the energy and 750 times the greenhouse gases that were required in the production of the insulation. So it pays for itself many, many times over the life of a building, facility or plant. Insulation is more cost-effective than virtually any other effort designed to reduce energy and operating costs. The great thing about mechanical insulation is that our work pays for itself. Upon installation, cost recovery can be achieved in as little as six months, and frankly, many times in as little as one month, but on average, under a year for sure.

Mr. David Gardner: The return on investment from mechanical insulation is significant. Given Ontario's fiscal challenge, support for mechanical insulation is a relatively low-cost initiative that will pay for itself and save energy and dollars in future years. Our experts can help identify current inefficiencies, particularly in older buildings owned by the provincial government. Our professionals have executed projects like the University of Western Ontario or high-rise residential buildings in BC as well as, south of the border, undertaking a state-wide project evaluating the efficiency of government-owned buildings in the state of Montana. Working together, there is a potential for substantial cost savings for Ontario taxpayers through the better promotion of using mechanical insulation.

Mr. Vince Engel: We'd like to work with the Ontario government to realize cost savings in provincially owned and operated buildings and to promote our trade to Ontario's private sector. We are prepared to offer a complimentary energy audit in a provincially owned and operated building, with the goal of recommending upgrades and installation of insulation where needed. That would be similar to the University of Western case study that you'll find in your binders, where they found very substantial cost savings and energy reductions.

0920

We also recently did this for a federally owned building in Ottawa. We found several inefficiencies—about 124 inadequate insulation efficiencies—which could be improved through the use of proper installation of mechanical insulation.

At a broader level, we want to work with the Ontario government to ensure that public sector building managers are aware of our services and also aware of the value that we can provide in meeting energy reduction targets. We are also hopeful that the government can advocate for the use of mechanical insulation to private sector, commercial and industrial enterprises. We're also working to reduce energy consumption and eliminate greenhouse gas emissions. This could include possible financial incentives for commercial and industrial enterprises that choose to install mechanical insulation as part of their energy efficiency initiatives.

The Chair (Ms. Soo Wong): Thank you very much. This round of questions—

Mr. Vince Engel: Oops, one more page.

The Chair (Ms. Soo Wong): Your presentation is well beyond 10 minutes, so I just want—

Mr. Vince Engel: Oh, is it?

The Chair (Ms. Soo Wong): Yes; I've been checking the clock. I wanted Ms. Forster and the NDP to ask you some questions from the committee. Ms. Forster?

Ms. Cindy Forster: I'll let you actually make your comments in the first part of my five minutes.

Mr. David Gardner: No, no, please.

Ms. Cindy Forster: Are you sure?

Mr. David Gardner: Please.

Ms. Cindy Forster: Okay. You talked about cost-saving measures for the government by doing mechanical insulation of government buildings. Have you been in contact with the minister responsible at this point in time?

Mr. Vince Engel: Not yet, but we are—

Mr. David Gardner: We have meetings today and tomorrow.

Ms. Cindy Forster: Oh, you do?

Mr. Vince Engel: Yes.

Ms. Cindy Forster: That's great.

College of Trades: Are your insulators part of the College of Trades?

Mr. David Gardner: Yes. I'm also a director. I sit on the board.

Ms. Cindy Forster: Oh, you're a director? Okay. We've had lots of comments over the last year with respect to that. What is your feeling about the College of Trades and the insulators who actually are part of your association?

Mr. David Gardner: How do I feel? If it's used properly and not to push other trades out and it's mandated as a college to give skilled, trained workers what they need to compete in Ontario as a global economy, I think it should work out well.

Ms. Cindy Forster: I've heard from many of the trades and the skilled workforce that some feel there's a

real inequity with the fees, depending on what wage bracket you happen to find yourself in. Hairdressers perhaps making \$14 or \$15 an hour as opposed to electricians making as much as \$50 an hour and all paying the same fees—do you think there is some appetite or a way to tweak that to satisfy all wage brackets?

Mr. David Gardner: It should be prorated.

Ms. Cindy Forster: And is that something that actually will be coming forward as a recommendation through the College of Trades?

Mr. David Gardner: It could. Nobody has actually come up and presented it to us.

Ms. Cindy Forster: Wayne, do you have—

Mr. Wayne Gates: Yes, just on the Ontario procurement policy and the opportunity to make sure that our tradespeople are getting the work. Do you have any comments on that?

Mr. David Gardner: On the procurement? How our tradesmen get the jobs?

Interjection.

Mr. Wayne Gates: That's why I came up with it, yes.

Mr. David Gardner: How would we keep skilled trades in Ontario? To be honest, this is a made-in-Ontario story. We manufacture the product that we use here. They are great-paying jobs, great manufacturing jobs and great-paying construction jobs. Right?

If we could just get in to the Ontario government, as we're just starting to do now, to present to them how we can save them money, if you could just give us a building or a room—we don't do the energy audits; it's a third party that does it. Then you can sub it out to either union or non-union; we don't care. As long as they're qualified C of Q or Red Seal through the Ontario government or the federal government that do the job, you will see the actual benefits of how much money you save.

Mr. Wayne Gates: The reason why I'm asking that question is, we've come across—not necessarily to deal with your company or your particular thing, but certainly with our local trades, when the procurement policy doesn't help the small and medium-sized businesses. I think what's important to what you just said is that it puts Ontarians to work in good-paying jobs in communities right across the province of Ontario.

If you take a look at what we've gone through over the last little while, in Ontario in particular, we've lost a lot of our good-paying jobs, particularly on the manufacturing side. I think it's important that the Ontario government continue to look at a made-in-Ontario solution. It sounds to me like you're bringing them a solution that can work—for communities and for the government. I think it's something that should really be looked at, and I wish you the best over the next couple of days that you're finally getting some meetings with the government. I can tell you that if you need any support from the Niagara Falls riding at all, which you're sitting in today, you're certainly going to get it. We need to put people back to work. We need to put our trades back to work.

On the issue of the College of Trades, as a director—and I've had the opportunity to meet a few times on the

issue—it has only been a little over a year. Obviously, with any organization—any new organization; doesn't matter if it's the College of Trades or the lawyers—there are growing pains in the organization. It's good to hear that you are certainly aware of them and you're certainly open to make some tough decisions but certainly to make some corrections. I think that over the course of the last year and a half, it has been successful. What do you feel on the College of Trades? Has it been successful, and do we need to put Ontarians back to work with good-paying jobs?

Mr. David Gardner: Definitely in Ontario—and we are a small-pop operation. Most of our companies are anywhere from the range of 10 to 20 men. We're not the EllisDons where we have thousands of people building, so our group ties them to what you were saying.

The College of Trades: If anything—like you said, it's growing pains. I'm not perfect. I'll never be perfect, and if nobody presents a problem or gives us an issue, how do we know how to fix it? I'm always open-minded. As long as you're open to change, things will go well.

Mr. Wayne Gates: Have I got time to follow up?

The Chair (Ms. Soo Wong): Yes.

Mr. Wayne Gates: Just to follow up on your question: Most of the contractors—and we're going to hear this throughout the day, I would think, in some of the presentations—a lot of them are small to medium-sized contractors, and we have to make sure, in my eyes, that the procurement policy is fair, not only for the EllisDons of the world but also for your type of company, companies that are in Niagara.

I'll talk real quick about a situation that we had here. They'll come to the small and medium-sized businesses to take apprentices in co-ops from local colleges right across the province of Ontario. Those same companies are opening their hands to our young people who need the hands-on experience as they get into their third and fourth year, and yet when we put out procurement, they don't get the jobs. Then what happens is, their work dries up. It filters down. The young people don't have the opportunity to go to the small and medium-sized businesses in the local community because they're not getting the work that they should be getting. So I think that when you talk to the government, you have to talk about procurement policy to make sure that we need to put some changes in place so that small and medium-sized businesses have the same opportunity as a big business that maybe comes out of a bigger centre than local communities. Hopefully when you do your presentation with the government, you can hit that home, because we're seeing it right here in Niagara, and we have one of the highest unemployment rates, quite frankly, in the province or even in the country. We have to make sure that you get the opportunity to get the work. So I just wanted to make sure I said that.

Mr. Vince Engel: I think that's a good point. I just want to say that the College of Trades in the apprenticeship system has ratios for journeymen to apprentices. On the procurement of insulation services for the Ontario

government, the only thing we would suggest is to make sure that they have a registered apprenticeship system and journeymen working for them; that way, kids get to complete their apprenticeship and become journeymen and be able to be engaged in long-term employment that way. The completion of the apprenticeship is a big part of it.

The Chair (Ms. Soo Wong): One more minute, Mr. Gates.

Mr. Wayne Gates: One more minute. To your point, I guess what I was trying to say was that if you don't get awarded the work, then a small or medium-sized business can't take on that young person that needs that hands-on opportunity. I think that was the point I was trying to make. I understand about the ratios. Like I said, I've spent some time meeting with the directors of the College of Trades, but my concern is that if the small and medium-sized businesses are being left out of the procurement policies and being left out on getting the opportunity to get the jobs, then the jobs for our young people in our communities—they're not going to get the opportunity because the business doesn't have to work to bring them on to teach them. That was my point. Thank you.

0930

Mr. Vince Engel: Fair enough. Thank you very much for your time.

The Chair (Ms. Soo Wong): Gentlemen, thank you very much for your presentation and your written submissions.

MS. ANGELA BROWNE

The Chair (Ms. Soo Wong): Okay, folks, our next presenter is coming to us by a conference call: Angela Browne. Angela, are you on the line?

Ms. Angela Browne: Yes, I am.

The Chair (Ms. Soo Wong): Good morning. My name is Soo Wong; I'm the Chair of the Standing Committee on Finance and Economic Affairs. I'm delighted that you're able to join us in the discussion of the pre-budget consultations 2015. Before I let you begin, I'm going to introduce the members of the committee who are at the table this morning. Okay?

Ms. Angela Browne: Okay.

The Chair (Ms. Soo Wong): So from the government side are Laura Albanese, Yvan Baker, Ann Hoggarth, Peter Milczyn and Daiene Vernile; from the official opposition are Ted Arnett and Vic Fedeli; and from the third party are Cindy Forster and Wayne Gates.

Ms. Browne, you have 10 minutes for your presentation, followed by five minutes of questioning from the government side this morning. Please begin by stating your name and any organization you're representing. You may begin at any time.

Ms. Angela Browne: My name is Angela Browne. I actually live and work here in the Niagara region. I wear many hats. I'm a practising licensed paralegal, I'm a disability advocate, I do policy analysis, and I also sit on a

number of boards that deal with disability and poverty issues.

The reason I'm presenting today by telephone is because whenever your committee or any other committee arrives in Niagara, it chooses to locate in places that people have to drive to get to. I don't drive. As a result of that, I've had about 99% of my employment opportunities denied to me, so I have to do everything that I can do as being self-employed. I'm fortunate to be self-employed, but most people who are in this position can't do that.

I know a lot of people who have spent years and years on Ontario Works unable to obtain work beyond a casual job because of the lack of transportation options in this region. Even when employers are situated on a bus route and work is largely indoors, employers seem to say, "You've got to have a car and a driver's licence." It's just this craze here in Niagara region that doesn't seem to allow people to progress in any other way.

What I want to say today is, I want to talk about people with disabilities: 50% of people with disabilities don't drive, for various reasons. Some of them just can't afford to because of costs. If you're living on a disability budget, there's no money. For many others, even beyond those who have been excluded from driving by the Ministry of Transportation medical review committee—there's medications they're on, the expense of an adapted vehicle, a blanket judgment for certain kinds of disabilities—it's simply a way to keep people with disabilities poor without any meaningful work.

I hear that the provincial government is trying to make large investments in transit in the greater Toronto area and even up to Hamilton. But Niagara always gets left out of it. What we need is to have good, effective regional transportation here so that people can get from place to place. Also, on the AODA, they have to standardize transportation as being a necessary service so that people don't have to drive, and employers can't readily say you have to have a driver's licence and a vehicle unless what you're doing for the employer is driving people around or delivering goods and services.

I'm not surprised whatsoever that the AODA is failing to address any of this and how it affects people with disabilities because the trouble is, policies like this are drafted by people who always drove, always had four cars in the driveway, and don't realize what it costs for people like myself to get around using taxis. To get to Fort Erie and back would cost me about \$200 if I was to go there in person. I think there needs to be some other options so that people don't have to worry about that kind of thing.

Basically, I'm very critical and very observant of how policy works and how it doesn't work for various people. I think we have to see how it works from the perspective of people who are living with the situation, and the situation is that it is not always working for people who live with the problems, because the people who live with the problems are not the ones who get to make decisions about it. I just want to give some very clear examples

about this and I want to give some examples about ODSP.

ODSP is now trying to get more people to work and into the workforce. That's fine. There are many of them who can and want to work, and so forth, although I doubt, in this era of unemployment, with the 20% unemployment rate in Niagara, that people are going to find many jobs to go to. But I think the goals are laudable; however, we have to be very, very careful when we try to address these issues.

When people try to go to work and they are on ODSP, they're very, very different than people who are millionaires. I think that the government right now is patting themselves on the back by saying that you are allowing people to make and keep the first \$200 of earnings, and then after that they get clawed back 50%. If you told that to the wealthy population of millionaires, that the first \$200 of their earnings wouldn't be taxed and after that they get back 50%, I don't think the reception towards your government would be very good, so I don't know why it would be any better with people with disabilities. I think that this needs to be looked at, with respect to the marginal tax rate of people going back to work.

For example, if a person is making \$30,000 a year just from a job, and a person is making \$30,000 a year gross from a combination of a job and perhaps some ODSP income from one of their family members, they should not be taxed differently. There should be the same kind of incentive for someone to work and get more hours without it being clawed back significantly. People are not going to go back to work when they think that their income is going to be clawed back.

One of the proposals on the table is that, right now, people do get a \$100 work allowance if they go back to work and have earnings in any given month. The government's plan is to get rid of that and put it into some kind of basket of goods and services that they would have to get from their worker or from Ontario Works. I don't think that's a good idea either, because, first of all, in some regions they don't exercise their discretionary authority very well and people often walk away empty-handed, and they make services deliberately difficult to access. Secondly, people should not be going to Ontario Works if they're on ODSP. They should be staying within the ODSP system and through those programs that ODSP offers and accesses, even if you're a family member of a person on ODSP.

Another thing: Our Ontario Works office is located two buses away from most people who are on ODSP here in St. Catharines. I don't know where they are for other people, but ours is very difficult to access and many times you do have to go there and wait. Most of us don't have the kind of time to do so, and a lot of my clients have come back and said that they don't have the money for this or they won't pay for this.

Given the fact that this new program that wants to be put into place is going to be discretionary—so if you go there and they turn around and say no to you, they're not going to give you any right to appeal. Basically, they can

decide that they are only going to serve blond-haired people with blue eyes, and if you're not blond and you don't have blue eyes, and you don't get it, you can't go back and appeal to a higher authority and say how unfair that is. There has to be a way of making things fair, and it's not fair the way that they want to set things up. Niagara has always been underfunded in many ways in that area anyways.

I would just prefer everything to stay within ODSP and the work-related benefit not cut, because it's bad enough that people who do work have to do without that. It's a \$1,200 cut; it's effectively taking \$1,200 a year out of a person's pocket for people who don't have it.

The second thing that I want to say about that is the government says, "Well, they could use the first \$200 a month to pay their expenses." I can tell you, anybody who even works part-time has to pay more than \$200 a month to work. Think about gas. Think about transportation. Think about bus fare. Think about clothing for work. Think about lunches at work. Think about different things that you have to do because you work, and if you sat at home and didn't do anything, you wouldn't have to pay out. That far exceeds \$200. I think that gas alone, for people who travel, is more than \$200. For people in Niagara region, it's more than \$200 for transportation, even if you use the bus, because you have to supplement it by taxi rides and so forth.

0940

The other thing is, this has been a death by a thousand cuts. Over the last year, we have got rid of the home repair benefit, so I know about four people sitting in Niagara region who are living in their owned premises—

The Chair (Ms. Soo Wong): Ms. Browne, can you wrap up your presentation? Your 10 minutes are up. I want you to say the last sentence so that we can go to the government side to ask you some questions.

Ms. Angela Browne: Okay. I just want to say that we have to look at adequacy, as well. ODSP rates are set at rates for prices that are within the 1970s, and people can't live on it. I'm having a lot of problems with people coming in here with breakups of their marriages, because ODSP still uses the family income as its basis, which doesn't work very well. It keeps people out of relationships. It keeps people out of—

The Chair (Ms. Soo Wong): Okay, Ms. Browne. I'm going to stop you right here. I'm going to turn to Ms. Hoggarth from the government side to ask you some questions for the next five minutes.

Ms. Hoggarth?

Ms. Ann Hoggarth: Good morning. Thank you for your presentation, Angela. I agree with you that the issues with people with disabilities are ongoing. We have them in our constituency office all the time. Our government is aware of these issues, and we are trying to address them in a balanced manner by adding or maintaining services, while keeping in mind that we have to keep our eye on the deficit.

What do you think our government could do to improve your situation in particular, keeping what I just said in mind?

Ms. Angela Browne: Well, the thing is, I don't think people who don't have enough to eat and so forth are worried about the government deficit. I think that there are a lot of things the government does spend money on that they could stop spending money on; for example, giving money to big businesses, and also some of the other things that we were talking about in the last year, such as the moving of gas plants. Just by minding the public purse in that way, I think, you can help keep the deficit under control.

People with disabilities are not the cause of the government deficit. I think that we should not be paying for it by not having benefits. In fact, if we did have adequacy and if people had enough to live on, there would be money being put into the local economies, which in turn becomes more taxation revenue for the government, to help them with the deficit and other things so that our economy improves. But right now, when people can barely afford to pay their rent and they're not able to afford groceries and can't get around—first of all, they're not going to be working, and secondly, they're not going to be contributing to the economy. This is always affecting people—because it always disproportionately affects the people who have nothing.

I think that there needs to be a good study of tax reform, a good study of a guaranteed annual income. I'd be very willing to participate in any kind of government study on guaranteed annual income, because I've done a lot of research on that issue. We have to make it less stigmatizing and more effective to keep people in the workforce, to have them contribute as much as they can without being held back, like they currently are by the 800 rules that appear to be crashing the computers right now at OW and ODSP.

Ms. Ann Hoggarth: This government has made supporting the hiring of more individuals with disabilities a priority. How is this being received by the community that you represent?

Ms. Angela Browne: I don't see anybody getting jobs. I haven't seen anybody get any jobs around here. I created my own job because there are no jobs. Right now, every employer here wants you to have a car and a driver's licence. If you don't have a car and a driver's licence, you're on Ontario Works for the rest of your life. I think that there has to be something in the AODA saying that they're not allowed to do that and there have to be better transportation services provided so that people can get around, and then people will want that too in the business.

The Chair (Ms. Soo Wong): Ms. Browne, I think Mr. Baker has a last question for you.

Ms. Angela Browne: Okay.

Mr. Yvan Baker: Ms. Browne, thanks again for calling in. I know, as I think about many of my colleagues in government, that some of the issues that

you've raised are of concern and something that we all consider a priority.

One of the questions I had: You just spoke in your previous response about the need for tax reform. I was wondering if you could talk a little bit about what you would envision as far as tax reform.

Ms. Angela Browne: First of all, let's close off all the loopholes that wealthy people have. I was wealthy at one time before I lost my driver's licence. I've lost about 85% of my income as a result of losing my driver's licence. The thing is, when I was wealthy, I paid something at that time called the high-income surtax, and I didn't care. I actually didn't care because I was contributing to the economy, I was part of the community, and if I was making more I'd give more to the community. It's just a matter of fairness. Right now, what we're doing is we're cutting back ODSP by the death of a thousand cuts, which has actually hampered many of them from even advancing and getting off the system. With the rules of keeping people at earning only \$200, I pay about, I would say—because my husband is on ODSP. I'm not the one who's on it; my husband is. Every dollar I make, I lose about 85% off his cheque, and that's a high taxation rate.

The Chair (Ms. Soo Wong): Okay, Ms. Browne, thank you so much for your presentation. Thank you for joining us this morning at the committee. If there's any written submission, please submit it to the Clerk by this Friday at 5 p.m.

Ms. Angela Browne: Yes, I've got some of that too.

NIAGARA HOME BUILDERS' ASSOCIATION

The Chair (Ms. Soo Wong): Our next presentation is the Niagara Home Builders' Association, I believe. I just heard from the Clerk that there is one written submission submitted, so he's going to make copies for us. Unfortunately, there's only one copy.

All right, gentlemen, welcome. As you heard, you have 10 minutes for your presentation. This round of questioning will be coming from the official opposition party. Please identify yourself for Hansard, and your position with the Niagara Home Builders' Association. Thank you.

Mr. Ed Lucchetta: Ms. Chair, members of the committee, good morning. My name is Ed Lucchetta and I serve as the president of the Niagara Home Builders' Association. I also co-own, with my brother Rob, Lucchetta Homes, which was founded over 50 years ago by my father. We are proudly affiliated with the Ontario Home Builders' Association. Joining me here today is the Niagara Home Builders' Association past president, Jonathan Whyte, who also serves as the vice-chair on the Ontario Home Builders' Association's land development committee and works with prominent Niagara region builder Mountainview Homes.

Thank you for coming to Fort Erie and for providing us the opportunity to submit our recommendations for the

upcoming budget. Here in the Niagara region, our industry supports approximately 7,700 jobs in new home construction, renovations and related fields, making us one of the largest employers in the region. All these jobs account for some \$423 million in wages, and the total residential construction-related economic activity represents about \$1 billion in annual investment across Niagara region.

Despite the Ministry of Municipal Affairs and Housing's view that Niagara region is one market area, Niagara has four general and distinct markets. In the northwest corner of the region, we have seen the greatest number of housing starts, spurred by employment opportunities in the greater Hamilton and Toronto areas, while the southern municipalities have unfortunately seen very little growth due to a lack of services and employment opportunities. More centrally, the region is maintaining modest growth, while Niagara-on-the-Lake has become a predominantly gentrified market of retirees from Toronto.

I'll turn it over to Jon to give our perspective on challenges facing our industry.

Mr. Jonathan Whyte: Thank you, and good morning. We are concerned that housing affordability has become an obstacle for many people in Niagara region. A growing share of households are struggling amid rising housing costs, and we are concerned that escalating taxes, charges and fees across Niagara region are having a negative impact on housing affordability and choice, particularly in the northern communities of the region where housing demand is greatest and supply is most limited.

0950

Now, in saying this, I want to be clear that we are proud to support the financing of infrastructure, through our home purchasers, that is directly tied to the communities that they are moving into but we believe that a better balance needs to be struck between the taxes levied on new homes, which are of course passed on to consumers through increased home prices, and taxes generated from the broader population, who also benefit from new and upgraded infrastructure. Failing to address this imbalance will have an impact on the future affordability of homes and on Niagara's ability to grow economically.

Escalating land values created by policy constraints in the north, combined with DCs and other embedded taxes, are contributing to the affordability impediment, the policy intent being that affordability or the lack thereof will drive growth south into designated urban areas of less marketable communities. Unfortunately, this isn't happening in any significant way, due to a lack of essential services and employment opportunities. Port Colborne, for instance, recognizing the impact that DCs have on housing affordability, has recently decided to waive their development charges in an effort to sweeten the deal and encourage investment in their municipality, yet the market continues to invest elsewhere.

We support growth in every corner of this region. Unfortunately, the reality is that even the most affordable

housing isn't broadly marketable if it lacks the services and employment opportunities, or at least connectivity to employment opportunities. The policy expectation that growth will occur in the existing supply of urban areas without supportive infrastructure isn't realistic and fails to recognize the unique challenges, circumstances and market considerations within Niagara. Without infrastructure and services where people need them, growth will continue to languish in Niagara.

I'd like to turn it back over to Ed to discuss the underground economy.

Mr. Ed Lucchetta: Our association also represents the professional renovation sector within the region. We promote the RenoMark program, which helps to protect consumers by ensuring that our members provide warranties and written contracts, carry insurance, pay their taxes and obtain all the necessary permits. Despite these efforts, the underground economy forms a big chunk of the \$24-billion renovation sector that employs over 182,000 Ontarians. I'll say that again to let that sink in: The renovation sector in Ontario is a \$24-billion business, and billions of dollars in transactions are happening underground.

Underground cash operators don't play by the rules and pose a serious risk to the government, legitimate businesses and, most importantly, consumers. These illegal businesses aren't on a level playing field with legitimate business. They don't pay GST, HST, WSIB, CPP or EI, and they aren't likely filing income or corporate tax returns. They also aren't typically applying for building permits, meaning that there are no inspections and no one to ensure that they are adhering to the building code or the fire code.

These individuals are placing consumers at significant risk. It all comes down to tax avoidance with the question, "How much will that be if I just pay cash?" In an effort to avoid taxes, contracts are nonexistent, workmanship could be shoddy, and in some cases the illegal contractor just walks away with the money. The underground contractor also likely isn't adhering to health and safety standards, and in the unfortunate event of an accident on-site the homeowner is liable. They are cheating the government, consumers and hard-working taxpayers.

Mr. Jonathan Whyte: The provincial government, in the last budget and the fall economic update, have stated their intent to target the underground economy and to ensure that we have an effective tax administration system that ensures that businesses pay their fair share of taxes. We are obviously very concerned that a significant sector of the economy is escaping oversight and is taking place in the underground.

We would like to work with the government through our provincial association, the Ontario Home Builders' Association, on an underground economy task force to combat underground renovations. We have a number of ideas to combat underground economic activity, and we would look forward to working with the government and

other stakeholders to take strong action against underground, illegal renovations, three of those ideas being:

First, the province should take a serious look at consumer-focused tax credits, similar to the previous federal government's Home Renovation Tax Credit, to deal with the problem of the underground economy in the renovation sector. This type of program would incent good behaviour by offering a tax credit to those who collect receipts from legitimate businesses and submit those receipts to the CRA. We also believe that such a program could be targeted to achieve specific public policy goals and designed to target the underground economy. It could, in fact, bring in additional tax revenues that are currently leaking into the underground. Fundamentally, this is a problem that is best dealt with through a regulatory system that targets these underground operators, alongside a plan to incent good customer behaviour.

Our second recommendation was also highlighted in the Ministry of Finance's fall economic statement. The government should explore "additional measures that would enable better information sharing across government ministries, agencies and jurisdictions" that detect and combat the underground economy. We need a stronger system in which information collected by the CRA and other agencies can be analyzed and cross-referenced to catch underground operators. We think the collection of more renovation receipts through a tax credit is a great first step in this initiative.

Lastly, we would like the government to consider public awareness campaigns about the negative impacts of the underground economy in the home renovation industry. The fact is that this isn't just about government revenue; this is about consumer liability and risk, as well as the health and safety of workers and the potential for shoddy workmanship.

I'd like to ask Ed to conclude our presentation with a discussion about infrastructure specific to Niagara region.

Mr. Ed Lucchetta: Our association strongly supports infrastructure investments made to support strategic projects that create jobs, enhance productivity and improve our quality of life. We believe in the expansion of core infrastructure, and by that I mean prioritizing roads, bridges, transit, water and waste water over other types of infrastructure to support our growing economy.

I should also note that the government shouldn't just focus on new infrastructure, but that we need to ensure that we have in place long-term asset management plans to ensure the ongoing maintenance and state of good repair for Ontario's existing infrastructure.

I would also add that housing affordability and choice must be recognized as one of the priority outcomes of public infrastructure investment. Investments made by the public sector facilitate additional private sector investment and job creation from our members. We can point to the increased housing starts and retail development in Welland as a result of the twinning of the 406 to East Main Street.

Infrastructure investments should be more strongly coordinated among all three levels of government, which would provide stability and predictability as to when and where infrastructure dollars are going to be spent. Not only can these investments be used to support policy directives, but this will allow for the private sector to adequately plan projects and target our investments to better align with new and upgraded public facilities.

The Chair (Ms. Soo Wong): Mr. Lucchetta, can you please wind up your presentation?

Mr. Ed Lucchetta: To end it, I guess we're going to go right to some of our key themes and points.

We're concerned that escalating taxes on new neighbourhoods are eroding housing affordability.

We support a permanent home renovation tax credit to combat the underground economy.

We support greater information-sharing agreements to combat the underground economy.

We are seeking a role for any provincial task force or stakeholders' group to review the underground economy.

We support continued provincial investment in core infrastructure.

Lastly, here in Niagara, with our high unemployment, we specifically support the extension of daily GO train commuter service to Niagara. The widening of the QEW to include HOV lanes, a new south Niagara hospital, along with a longer-term commitment to extend Highway 406 south and east to the QEW as the first leg of the—

The Chair (Ms. Soo Wong): Mr. Lucchetta, I'm going to have to get to Mr. Fedeli because you're well beyond the 10 minutes.

Mr. Ed Lucchetta: Yes. Thank you.

The Chair (Ms. Soo Wong): Mr. Fedeli, can you begin your questions, please.

Mr. Victor Fedeli: Thank you very much. Thank you, Ed and Jon. I've got three areas. Number one was the lack of services and employment opportunities. Is there anything else you wanted to add to finish off, basically, that area?

Mr. Jonathan Whyte: Thank you. Our biggest point was connectivity—if jobs aren't being created in the southern tier of this region, infrastructure and connectivity to provide those living in the southern half of the region with the opportunity to get to work, the GO train being a key part of that.

Mr. Victor Fedeli: I hear that a lot. When I come through Hamilton down to this area, I hear that a lot. It's the GO train. "If the jobs aren't here, at least let us get to them." Is that a good summation?

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Mr. Ed Lucchetta: A hundred per cent.

Mr. Victor Fedeli: Okay.

Number two, this underground economy and the dollars lost to the government: I don't think it's any surprise that we continue to see that. You've nailed it when you say, "How much if I pay cash?" Sometimes it's human nature. I agree with you entirely that it's all about education. If people knew that you are liable if there's something that happens in your home when you're doing

a cash deal with a contractor—so I completely support that.

Do you have a further example?

Mr. Ed Lucchetta: When somebody does purchase a home from us, upon closing we actually have a letter that they sign off on, talking about the underground economy. We do tell them, "Hey, look. By you guys saving X amount on not paying taxes, this is what it's doing to our industry and to the rest of the province." These are even government employees—teachers, for example—who, as soon as we leave, go and finish their basements off, again with a cash operator. We can't compete with that.

Mr. Victor Fedeli: Well, we can if—I like the comment that you made about the Home Renovation Tax Credit. That's how we can compete with that—

Mr. Ed Lucchetta: Right, definitely.

Mr. Victor Fedeli: —by bringing it back to a legitimate reason. If it is, I dare say, greed that drives that, one way to resolve that is by offering a cash incentive, much like the feds did with the Home Renovation Tax Credit. When it was put—it must have been about five years ago, because I know the limit—we changed things in our house. We had it painted; we had lights put outside. We kept our receipts and were able to submit those. It was a good incentive, not only to do it properly but to do it. There was a good reason to get out and spend the dough into the economy because of the tax credit.

Mr. Ed Lucchetta: Absolutely.

Mr. Victor Fedeli: So you're absolutely in favour of some kind of provincial program, of a renovation tax credit?

Mr. Ed Lucchetta: Yes, definitely.

Mr. Victor Fedeli: I will ask you, because I believe that the money will be returned to the government through the taxes that are collected: Is that your analysis as well? Not all of it, but—

Mr. Jonathan Whyte: As you've stated, just the money being spent to help keep the economy going, the taxation that can be assigned to the goods and services that people will retain in order to receive the tax credit—yes, it's going to do more to help the provincial coffers than the loss of money currently taking place in the underground economy.

Mr. Victor Fedeli: I don't think it would be a wash, the money that's put out by the province in terms of the tax credit as opposed to the money coming in, but it would be pretty substantial, if it would help balance our costs.

The asset management plan: In this region, are these asset management plans being done by the municipalities? Do you know if they're being undertaken now?

Mr. Jonathan Whyte: I believe the region is involved in reviewing their asset management—managing their assets, rather; excuse me. The degree to which municipalities have the means, the capabilities, though, I'm not certain.

Mr. Victor Fedeli: I know that when I served as mayor of the city of North Bay for two terms, we had those vehicles that had the underground radar and

mapped all of the sewer and water and all of those things. In my hometown, I was shocked that the upgrade and the repair to all of our sewer and water at that time was \$880 million. That was the number that we came up with in our municipality. It's a large region. It's a large community by geography and has a lot of roads and a lot of services. I'm curious, then, whether the data is available from your region's municipalities.

Mr. Ed Lucchetta: I imagine it is. Definitely.

Mr. Jonathan Whyte: I'm not sure—

Mr. Victor Fedeli: That's something that we may want to ascertain and have available.

Were you familiar with one of our proposals on sharing the gas tax with all communities, whether they are communities with transit or not? Are you aware of what I'm speaking about?

Mr. Jonathan Whyte: Was it population-based, that each one would get a proportion of the tax?

Mr. Victor Fedeli: Right now, you get a federal gas tax, every municipality, population-based. The provincial gas tax is only for the 93 communities that have transit, not all 444 communities. One of the things we're suggesting is that all 444 communities equally share the gas tax. That would go into the majority of communities that don't have transit, as one way to supplement that. Is that something that you would consider a fair and equitable support?

Mr. Jonathan Whyte: Absolutely. One of the points we didn't get around to mentioning was that the highest unemployment rate in the country is within Niagara, and Niagara has long been deprived of stimulus funding from governments. We would like to ensure that in this budget we see our fair share of infrastructure spending.

The Chair (Ms. Soo Wong): Okay, Mr. Whyte. Thank you so much, gentlemen, for your presentation this morning. I believe you have a written submission as well. Thank you very much.

ONTARIO MEDICAL ASSOCIATION

The Chair (Ms. Soo Wong): The next presenter is the Ontario Medical Association, Dr. Scott Wooder. Come on down. Good morning. Gentlemen, you have 10 minutes for your presentation and five minutes for questioning from the members of the committee. This round of questions will be from the official third party. Please identify yourselves and the positions you hold with the Ontario Medical Association. You may begin anytime. Thank you.

Dr. Scott Wooder: Thank you very much, Chair. My name is Dr. Scott Wooder. With me this morning I have Scott Witmer, who is the regional manager for LHINs 3 and 4, which does include Fort Erie and the Niagara Peninsula. I've been a family physician in Stoney Creek for 29 years. I've practised in the Hamilton Family Health Team, and I'm the past president of the Ontario Medical Association. At the OMA, I had a hand in developing the current primary care payment and practice models for doctors in Ontario. I've also served as the chair of the

OMA negotiations committee in 2008 and 2012. During my time as OMA president, I led the development of a comprehensive, province-wide end-of-life strategy.

Today I represent physicians not only in the Hamilton Niagara Haldimand Brant LHIN, which includes Fort Erie, but the 34,000 doctors and medical students across the province. I'm here to call on the Ministry of Finance and the Ontario government to adequately fund our health care system, one that is facing pressures from growth in patient numbers and need.

As you may know, recently, following a year of negotiations, the government gave the Ontario Medical Association a take-it-or-leave-it offer. They threatened that if the OMA didn't agree with their cuts, they would move ahead without us, with even deeper cuts. The OMA board of directors rejected that ultimatum and the government is implementing cuts. That's not a partnership. It's not a way to improve the health care system.

I want to take a few minutes to explain why this decision is so critical to understand, as we believe the government's recent actions have serious implications for our patients and their families across the province. One of the building blocks of a healthy economy is a healthy population. The fact is, Ontario's population is growing, and it's aging, but the government has decided to fund less than half of the additional care that will be needed. They don't want to pay for new doctors to treat existing patients who are struggling to access the care they need. This is not right, and we will not support it.

By the Minister of Health's own estimates, demand for medical care will grow by at least 2.7% due to population growth in Ontario, an aging population with more complex needs, and the need for new doctors to treat existing patients who currently can't get timely access to the care they need, yet the government is only willing to fund 1.25%. That's a gap of over \$150 million.

Looking back over the last five years, growth for medical services has increased by an average of 3% annually. Why is this happening? It's because doctors treat the patients that need care. We want to provide care. It's happening because our population is growing and aging. More care for more complex treatment needs is being delivered across the province, and the government knows this is increasing. Every year, 140,000 new patients come to our health care system in Ontario. That's almost the population of Prince Edward Island, and coincidentally it's about the same population as Fort Erie, Welland and Niagara Falls combined.

This LHIN is home to 1.3 million people, or 10.9% of the population of Ontario. Relative to the province, this LHIN has a higher proportion of seniors, those with activity limitations and daily smokers. With each of these risk factors comes a higher prevalence of chronic disease such as diabetes, high blood pressure and arthritis. These chronic conditions place a higher burden on the health care system and reduce the quality of life for patients. With a population in need of more complex care comes the need for more physicians to meet the demands.

The LHIN is also home to 56,000 unattached patients, patients without a family doctor. That does not include children under the age of 16, close to 5% of the population in the network. The government's imposed agreement is going to make this situation much worse.

Wait times are also a concern in this region. MRI wait times for adults in the Niagara Health System are 84 days, far longer than the provincial target of 28 days. In the past, as doctors have moved to reduce wait times by working harder, by working nights and weekends, we've been criticized by the government for increased costs. We're working overtime and being criticized as having an increase in pay.

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Under the contract proposed by the government, doctors will be penalized if they see too many patients. This will lead to longer wait times to see a family doctor, to have a diagnostic test done or to schedule surgery. This is unacceptable, particularly in areas with a higher percentage of seniors with chronic conditions.

I mention these facts because recent physician services agreements in British Columbia and Alberta demonstrate how these governments have accounted for the changing needs of their populations and have made the changes required by funding system growth. However, in Ontario, the government is shirking its responsibility to fund the medical needs of its population.

Ontario doctors have offered the government a two-year freeze on all fees. This offer stands today. This means no increase in the fee paid for a physician's service, from a standard assessment by a family doctor to the most complex surgery. All the OMA asks is that the government accepts its responsibility to fund new doctors, to treat the patients we have today and to provide the extra care needed to treat Ontario's growing and aging population.

Ontario doctors understand and acknowledge the economic challenges facing the government. A freeze on fees and a government commitment to fund growth are the right things to do in today's economic environment.

In 2012, Ontario doctors accepted a 5% cut. Doing so helped save \$850 million in the system. We did this because we could accept that the cuts being made would have minimal impact on patient care. The changes were firmly based in evidence and were supported by my profession. Now, less than three years later, the government wants to cut another 4% from medical services. This pattern is unsustainable and unrealistic if we want the best care for our patients and if we want the best doctors available in Ontario. This pattern is a race to the bottom. It's not right, and we will not support it.

It's important to acknowledge that OHIP billings are calculated before expenses. For example, a doctor's rent for office space, staff salaries, and office and medical supplies and equipment are paid from OHIP billings. Doctors are employers. In fact, a doctor working in the community employs, on average, four full-time jobs in the community. In all, physicians employ 96,000 full-time jobs in Ontario. The government's attempts to

demonize doctors by equating billings with salary are unfair.

Government cuts are real. Last week, the government took a 180-degree turn in the wrong direction. I was astonished to see that the biggest part of the cuts the government is imposing is focused squarely on family practice, specifically on our group and team-based models of delivering primary care. These are models we've spent the last 10 years building, developing and promoting to improve access and quality. Now the government is dismantling them, taking us back to a time when millions of patients couldn't find a family doctor, students did not want to become family doctors and doctors were leaving the province in droves.

When government imposes these terms, doctors will do everything we can to limit the impact these cuts will have on our patients. We're not planning any job actions. But make no mistake: There will be negative impacts on patients and the care they receive.

This is our message: We want the government of Ontario to fulfill its obligations and responsibilities to Ontarians and fund the unmet needs of our current population and the natural growth to provide care for our aging and growing population. Patients in Ontario deserve this from our government.

I'd be happy to take questions.

The Chair (Ms. Soo Wong): Thank you very much. Ms. Forster, do you want to begin the questioning?

Ms. Cindy Forster: Thanks for being here. I was in Sudbury, as well, for the presentations, and I think it's certainly a message that all parties need to hear.

I want to spend my five minutes, though, talking about the lack of mental health services in the province and how the government cuts to physicians over the next couple of years are going to impact a system that's already in crisis. Here in Niagara, we have been underfunded for mental health for many years. We've had a lack of psychiatrists here in the Niagara region for several—for a couple of decades, in any event, and we all know that when people don't have access to mental health services, it creates joblessness for them; it certainly increases policing and correction costs. All of those kinds of things could be less severe if we had more funding for mental health, not only adult mental health but for children. Can you make some comments on what the impact of these cuts will be?

Dr. Scott Wooder: Sure, and I appreciate the question. It was a little unexpected, but I'm glad you brought it up, because mental health care is such an important thing.

The gaps are real, especially for children. I'm a family physician in this region and I have a desperately difficult time getting mental health services for children. These are people who will live a lifetime feeling the impact of the lack of care: underemployed, possibly; unproductive in terms of contributing to the tax base.

One of the impacts of these cuts will be the inability of new family physician graduates to join capitated models of care, to join family health teams. Why is that import-

ant? Because family health teams employ mental health workers. They have psychiatrists integrated into their practice. They have addiction counsellors. I'm fortunate enough to practise in a family health team. New graduates won't have that luxury, even though in all six medical schools in this province they train in that model. So we're condemning a cohort of new family medicine graduates to practise in solo fee-for-service models, which is contrary to everything we've been trying to do in reforming primary care over the last two decades. Their inability to practise in teams is going to have a direct impact on their ability to access mental health services for their patients, especially children in the practice.

Ms. Cindy Forster: Now, psychiatry has changed. I mean, today patients aren't seeing their psychiatrist on a regular basis, or psychotherapy or counselling. It's really left to the family doctors in many cases to kind of provide the maintenance for psychiatric patients and those suffering from mental illness.

Dr. Scott Wooder: Sure. As a family physician, over a quarter of what I do every day is psychiatry. The best way to utilize the skills of a psychiatrist is by integrating them into a team and leveraging their skills with a mental health counsellor, with a family physician. Instead of asking the psychiatrist to do all of the hands-on work, he can leverage his skills much more broadly.

Ms. Cindy Forster: You said there were 56,000 patients without access to primary care just within this LHIN, Hamilton Niagara Haldimand Brant. How many patients are without access to primary care across the province?

Dr. Scott Wooder: Nine hundred thousand.

Ms. Cindy Forster: So almost a million patients. What will the impact be to that growing list of patients?

Dr. Scott Wooder: Yes. It's not just the cuts in general; it's some of the focused, specific cuts this government has made. Not letting young physicians join family health teams or capitated practices; taking away rostering incentives; not allowing income stabilization for new physicians wanting to practise in northern and remote regions—these are all going to have a dramatic effect. They're going to exacerbate the shortage of primary care, and I expect that number of 900,000 to grow.

The Chair (Ms. Soo Wong): One more minute.

Ms. Cindy Forster: You talked about the population growing and aging. Actually, there was a story in our local newspaper this week. A 105-year-old woman—Elena Turroni is her name—had a pacemaker put in just recently. She's still living in her own home with some home care supports. I think it's important to know that because of health care, people are living much longer than they did several decades ago. Do you have any—

Dr. Scott Wooder: Well, what a great story. When I was a medical student, we never would have considered putting a pacemaker into someone of 105. I think it's a really positive development that with support for a patient and her family, who are providing most of the care in general, people are able to maintain themselves.

The Chair (Ms. Soo Wong): Thank you very much, Dr. Wooder, for being here today, and for your written submission as well.

Dr. Scott Wooder: Thank you.

SNAKEHEAD GAMES INC.

The Chair (Ms. Soo Wong): The next group coming before us is Snakehead Games Inc.: Christian Latour. Good morning. Welcome. Please have a seat. As you probably heard, you have 10 minutes for your presentation, and this round of questioning, for five minutes, is coming from the government side. You may begin any time. Please identify yourself and your position with your organization for Hansard purposes.

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Mr. Christian Latour: My name is Christian Latour, and I've been in the video game industry for approximately 14 years. My corporation is currently offering services to both Snakehead Games and BattleGoat Studios, which are both located in Hamilton, so I have the advantage of being able to provide feedback from two studios, though most of my analysis comes from my work with Snakehead Games.

On behalf of myself, Snakehead Games and BattleGoat Studios, I'd like to thank the committee for taking our input on this matter. A partnership between industry and government is key to any strong economy, and we trust that by sharing our experiences here today, the government of Ontario will renew its commitment to supporting the digital media sector.

The existing Ontario Interactive Digital Media Tax Credit program has become a vital component in the success of many studios across Ontario, including both Snakehead and BattleGoat. Labour costs represent a large portion of the budget for any digital media project. Receiving cost offsets in the form of tax credits allows Ontario companies to remain competitive on the national and international stage. The tax credit has certainly allowed Ontario studios to create jobs and generate revenue they would not have without the program.

One of the strengths of the program has certainly been the people behind it. We have multiple examples of support staff responding to requests late on a Friday evening during the summer. The effort and professionalism of the OMDC staff leave no doubt that they truly care about the success of the companies that are creating and innovating across our province. We greatly appreciate all of their hard work in helping studios understand and complete the required documentation.

The OIDMTC does have room for improvement, though. The current length of time required to claim and receive the tax credit diminishes the impact of the program. The process involved from the time a company spends its first dollar to receiving their tax credit is simply too long. Consider that Snakehead Games currently has more money in the OIDMTC pipeline than the previous year's revenues. Current best-case scenario estimates for a two-year project put the expected time frame

for receiving the tax credit at around the five-year mark from the first dollars being spent. Much of this is due to the application process which requires established partners to prove themselves with each new project. Before tax credit forms can go to the Canada Revenue Agency, projects require review and approval regardless if the studio is holding T4s and has previously successfully submitted to the program. Compare this to much of our tax rules, which use a trust and verify system, and you'll understand the frustration that this can cause for studios like ours.

If the program continues to be such a long process, we limit the ability of studios to grow with each consecutive project. By decreasing the time involved in completing the tax credit, the government can foster growth in existing studios, encourage the creation of new studios and provide stability to digital media companies. The province currently has a large number of graduates, entrepreneurs and businesses eager for this opportunity.

Regardless of the process, the OIDMTC remains one of the most effective tools for encouraging employment in the digital media sector and establishing a digital media company in Ontario. We hope the committee understands the further economic benefits we could see from helping studios across the province spend less time focused on the approval process and more time bringing new products to market. Thank you very much.

The Chair (Ms. Soo Wong): Thank you very much for your presentation. This round of questions will begin with Ms. Vernile.

Ms. Daïene Vernile: Christian, thank you very much for coming to Fort Erie, sharing some of your concerns and giving us an insight into your business and your industry. I'm going to take your suggestions on the tax credit back to Queen's Park and share this with my colleagues. I'm the parliamentary assistant for research and innovation, and I want you to know that our government greatly wants to foster the innovation and commercialization of new technologies and of products such as what you're producing, not just here, but seeing the commercialization of that around the world.

I see here that Snakehead has received almost \$22,000 since 2012 through the Ontario Media Development Corporation Export Fund, and you use this to expand your international networks. Can you share with us some details on how you are growing your business in other markets?

Mr. Christian Latour: As far as growing the business in the other markets, one of the key things is reaching out and making sure that our product is visible. That is certainly one of the things that we've used some of this funding for: to be able to tap into communities that might not otherwise see our products, and simply making them aware. As you would imagine, the video game sector is very competitive; there is a large selection of products. Being able to approach other markets and market ourselves—mostly nurturing relationships is a lot of where we spend our effort.

Ms. Daiene Vernile: Christian, my eldest son owns a game company in Waterloo region. He came through the Communitech Hub, if you're familiar with them. I think that's been a pretty good bang for the buck. The Ontario government has invested in Communitech since 2009, and my son was one of the early people there. In that time, we've seen 1,700 tech companies come through there, equalling 10,000 jobs. That's very impressive.

At his little company, he's got 25 employees. He has his head office in Kitchener, and a subsidiary is in Los Angeles, but he chooses to stay in Ontario because he likes the business climate here. Let me ask you about that. How do you see the business climate in Ontario?

Mr. Christian Latour: Well, I can echo some of his comments in that I know that both Snakehead and Battle-Goat, at various times, will be courted by other jurisdictions, both within the country and abroad. Some of the key decision-making factors are looking at what we are going to face in terms of running a business in Ontario. Yes, the current climate makes it easy for us to know that we have the roots here and that it's worth us staying here.

Elements like this tax credit are key to that because we are competing with lower labour costs, in terms of software development, in countries such as Turkey, Bulgaria and Romania. The former Eastern bloc countries are really pushing the digital media markets at times. Even within the country, we are seeing some of the efforts that have been done though Quebec to foster businesses. So knowing that industry has the support is a big factor.

I can also say that, when it comes to creating jobs, having a tax credit like this where it is key that our program employs Ontarians to remain eligible for the program, as a studio that means that any time anybody is approaching us with a resumé looking for employment, one of the first things we consider is, are they an Ontario resident? It really promotes for the business to think about the fact that, when employing, we should look to employ locally first and not simply contract out. Tax credits like these don't completely bridge the price gap between employing locally versus contracting externally, but they certainly make it a lot closer, and they give our studios the ability to expand.

Ms. Daiene Vernile: Well, you're in a new, exciting industry, and you are providing many jobs, so this is wonderful. I know that it's the dream of every teenage boy to work at a place like that, right?

Mr. Christian Latour: Yes, we get a lot of questions like that.

Ms. Daiene Vernile: Thank you.

The Chair (Ms. Soo Wong): All right. You've got two more minutes. Anybody want to ask questions on the government side? Mr. Milczyn.

Mr. Peter Z. Milczyn: Sure. Thank you very much, Christian, for your presentation today. I noted that in your presentation you talked about some of the difficulty with how the tax credits flow back and the application process. I know the government has implemented measures to reduce red tape and the burden on business to do

taxes for its government programs. The process for applying for these tax credits, do you have any specific ideas on how that could be improved? Is it something that's online, or is it paper-based? Do you have any suggestions on how we could improve the application process?

Mr. Christian Latour: Certainly. The biggest thing we'd like to try and contribute to this discussion is the fact that, currently, a project must be completed. It then goes through an approval process at the OMDC, I believe, and it does not actually proceed to the Canada Revenue Agency until that approval process has been completed. So when we're talking about the example I gave of a two-year project, the project must reach its completion, they must file their taxes, they must then receive approval, and then it goes to the CRA which, understandably, is likely going to give it a passing grade because it's been approved at a previous level.

With most tax systems that we use within the province, you are allowed to immediately file as part of your taxes, to say, "I certify by my own word that I will be eligible for this," and it is submitted, and the government trusts. Then they verify it to make sure that the person who has claimed it actually qualifies for it.

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Making this sort of change could notably reduce—and I do recognize that we have seen that the times are being reduced, but we're still looking at a five-year total because of the completion, filing, approval to the CRA and then having it paid out. The video game industry is extremely fast-paced. The timeline for projects can at times be as short as six months, so when you're trying to take revenue from one project to become the capital to undertake a new project and expand your company, knowing that it's five years can be a big barrier to that.

At Snakehead—we currently sit at roughly 10 employees—there have been discussions that if it was a trust-and-verify system and we were looking at two and a half or three years, we could very well be at 40 employees at this stage in our studio, but the length of time simply slows the process. We're still able to be productive—

The Chair (Ms. Soo Wong): Mr. Latour, thank you very much for your presentation, as well as your written submission.

Mr. Christian Latour: Thank you.

DR. ALBERT SCALES

The Chair (Ms. Soo Wong): All right. The next person coming to speak to us is Albert Scales. Mr. Scales, can you please come forward?

Dr. Albert Scales: Good morning.

The Chair (Ms. Soo Wong): Good morning. Welcome. As you heard, you will have 10 minutes for your presentation, followed by five minutes of questions by the committee members. This round of questioning will come from the official opposition party. Please begin and identify yourself, and any organization you represent, for Hansard purposes.

Dr. Albert Scales: Thank you very much, Madam Chair. My name is Dr. Albert Scales. I have been a practising chiropractor in St. Catharines for the past 33 years. I've been married for 33 years. My wife is a member and employee of the Niagara Health System in dialysis, and I have three wonderful children.

I've been an active member of my provincial and national associations for many years. As well, I've been a consultant with the Workplace Safety and Insurance Board and an insurance assessor for the past 20 years. I wanted to take this opportunity out of my busy schedule this morning—I now have been told it's going to be a busier schedule this afternoon—to speak with you today with regard to many concerns that I currently see in the treatment and assessment of musculoskeletal conditions in a large part of our community today.

This is primarily a bit of a personal story. Patients with multiple chronic conditions often suffer from what we call MSK conditions, which contribute to pain and limit their mobility. This can further weaken musculoskeletal strength and prevent patients from engaging in the active phase of their care, thereby exacerbating their existing conditions. Currently, about 14% to 28% of primary-care physician visits in North America are for conditions related to MSK, demonstrating that it is indeed a significant issue in primary care.

I believe that the current government is truly on track in understanding the need for patient-centred care. Many of my patients suffer from neck and back pain, and also have chronic conditions such as diabetes, chronic obstructive pulmonary disease, cancer and heart disease. The Niagara region has a large senior population and, as well, a very high unemployment rate, which leads to difficult socio-economic status.

So in review: The government has been implementing its action plan for health care to strive towards an increasingly high-performing, patient-centred, sustainable health care system that is ensuring that Ontarians have access to the right care at the right time in the right place. Low back pain is exceptionally pervasive and costly to manage and negatively impacts the economy because of reduced productivity due to lost work time.

To address these challenges, the government has been rolling out its Low Back Pain Strategy since 2012, including two pilot projects: the Inter-professional Spine Assessment and Education Clinics, which you'll know as ISAEC, and primary care low back pain pilots, working with chiropractors and other providers on efforts to improve the way the system manages low back pain. Positive results have been demonstrated.

In addition to this Low Back Pain Strategy, in the fall of 2013, the government authorized interprofessional primary care teams to employ chiropractors, but additional funding is still needed to make this possible. There are opportunities to further leverage the use and expertise of chiropractors in reducing unnecessary health care expenditures while improving patient outcomes and, more importantly, access to care, so I hope that you will con-

tinue your commitment to this enhanced low back pain patient care program.

There are many Niagara region health issues and challenges that I continue to see personally in my practice which cause delay in effective treatment and proper outcome measures so that patients can get on with their lives and be productive members in their communities. One such example was a 42-year-old woman who developed acute back pain without any specific reason. Now, this happens very often; I'm sure you'll all agree. You wake up some morning and it's there. This patient had not suffered through this at all, but due to the patient's suffering of this type, they became very concerned about how this was going to not only affect their lives, but, more importantly, how long was it going to last?

She's a single mother with two teenage children at home. She works full-time in an office environment. She wasn't able to sit or perform her duties at work as a result of this acute pain. She could not get an appointment to see her family doctor, but was able, however, to get to an after-hours clinic.

She was assessed and given pain medication with the advice to follow up with her family doctor. She was not able to consult with her family doctor for seven days and continued taking the pain medication, which did minimize the pain, but only slightly, and affected her activities of daily living.

After consulting with her family doctor and outlining her pain and the medication that she was on, she was advised to consult with a specialist, but that, unfortunately, would take about four months.

She didn't return to work after this incident and began to worry about her prognosis. She was very concerned about her financial situation since she did not have any sickness or accident insurance through her company or her employer.

It was on the advice of her co-worker that she consulted my office for a second opinion and, simply, some treatment. She attended for evaluation. I was able to reassure her that it did not appear to be a serious condition and she was treated with gentle mobilization exercises and postural habits to consider while at home.

Within one week, she was able to return to her work and noticed an improvement to her function and pain levels. She was grateful to get back to work and stated that without this step towards earlier treatment intervention, she simply would not—she would have had to wait to see the specialist and probably would have chosen to stay off of work out of fear that the pain would worsen.

I have treated, over my 33 years, many such patients who have waited several months to see a specialist, only to learn that, based on their objective presentation and clinical findings, they were not surgical candidates and should consider some other forms of treatment first. The sad part is most of these patients were not proactive earlier and also saw their condition deteriorate further.

Chiropractic care in conjunction with standard medical care will offer a significant advantage for a decrease in

pain and improving physical functioning when compared to only standard care.

I myself receive many, many referrals from local family physicians who appreciate the collaboration with me in dealing with their acute and chronic pain patients suffering from a variety of these MSK conditions. Mostly, these patients require simple reassurance, but also direction on the steps that they must take to help resolve their problems.

I report back to the family doctor so that they are kept up to date with regards to the patient's progress. This interprofessional relationship is incredibly welcomed by the patients and leads to a more positive prognosis in their care.

This is a really fun project because during the summer of 2012, some members, including myself—and I'm currently vice-president—of the Niagara Chiropractic Society began a collaborative volunteer chiropractic program at Quest Community Health Centre in St. Catharines. We have community health care right here in Fort Erie. This was a first for this community health care centre.

The physicians working at the centre work were deluged with chronic pain conditions that were presented to them every day. Many of the patients were already on the maximum dose of pain medication that they could prescribe, with no other option for treatment that would be affordable to them. In essence, they didn't have any access to further care without the financial burden.

The program has been running now every week since that time, and each treatment day is very busy. My treatment day is tomorrow; my roster is tomorrow. The patients have been very happy with this program, as have the staff at the centre as well, since the program gives these people simply another option for treatment rather than the ER at the local hospital.

One of our regular patients talks about the program in his own words: "I am a 35-year-old male with whole body pain and generally feeling messed up. I have been part of the program since July 2013 and attending for treatment on a regular basis. I have virtually no money, homeless with serious life changes and was not able to access this type of treatment anywhere else. This program has allowed me to get back to school and start getting my life back in order. I could not be able to do this without their help."

Since our inception, we have consulted and treated several hundred patients who would have gone to a walk-in clinic or to the hospital ER department. The staff at Quest have found our collaboration to be very instrumental in dealing with their patients.

One of the staff physicians, Dr. Ziad Malak, MD, indicated, "The clients I work with have repeatedly commented on what a positive experience it is to participate in the volunteer chiropractic program and how happy they are with the services provided by the chiropractors. As their physician, I have noticed a reduction in overall chronic pain. The program is especially important to

Quest given our goal to reduce and control pain without medication/narcotics and using alternative approaches."

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You've probably all read in a recent *Globe and Mail* report, "Experts say the remedy isn't to throw more money at the system but to triage patients so those who potentially require operations see surgeons and those who don't get the care they need."

A recent *Toronto Star* article, just this past Sunday, discussed the concerns of patients addicted to cocaine-based pain medication and attempting to acquire Tylenol No. 1 at their local pharmacies on a regular basis.

In conclusion, thank you very much for your time in helping to hear the concerns and stories from not only myself as a health care practitioner, but the many patients our profession treats on a daily basis. There is much work to be done, but I'm hopeful that change will continue to take place for the benefit of all who live in this province.

The Chair (Ms. Soo Wong): Thank you very much. Mr. Fedeli, you can begin the questioning.

Mr. Victor Fedeli: Thank you very much for this really enlightening presentation. We quite enjoyed it. In Ottawa, last week, we had a similar presentation from a chiropractor, but you've brought a solution here, which I really appreciate.

There's nothing worse than chronic pain. I think everybody would agree with that. Your solution has been this volunteer program at Quest. I don't know that that humanitarian aspect will be replicated in every single community throughout Ontario. What would a more permanent pan-Ontario solution be, in your own opinion?

Dr. Albert Scates: There certainly are conditions that we all have been inundated with, whether it be heart disease and cancer and—those are certainly in the forefront. I think we find that MSK and musculoskeletal conditions take a bit of a back seat, because they don't appear to be critical. But it's a ripple effect. I think what I try to emphasize here is the deterioration in socioeconomic status. People just get scared.

I know it's difficult when you're trying to have so much allocatable health care dollars, but I think what we're trying to decide is, how are those dollars disseminated and where do we shift them? We're finding it very difficult, but we are doing our volunteer part—I think if funding is perhaps getting to some of these community health care centres a little bit more and maybe to support family health teams, so there's a little bit more initiative, collaboration being done.

I listened to our previous discussion. In 33 years of practice, I've said this over and over: I don't think health care should be individual islands. I think we have to work together as a team. I'll be the first one to say I don't have all the answers.

I've been asked, "Are you going to have to see me three times a week for the rest of my life?" Believe me, I don't want to see any patient three times a week for the rest of their life.

At the same time, I think if we all work together in collaborative efforts, that's where we're going to get

some health care solutions. Funding, certainly, to the community centres helps, but a little bit more collaboration on how we can spend dollars for MSK is really important.

Mr. Victor Fedeli: What about funding in chiropractic? What are your thoughts on what has happened in the past and where we should perhaps be going in the future?

Dr. Albert Scales: Funding, again, is a difficult thing. You're going to hear a lot of criticism over the years, where people have said, "Well, chiropractors can treat everything." The Ontario Chiropractic Association—I have a lot of material on this in some of my work over the 33 years of practice that I've done with insurance assessments and also the Workplace Safety and Insurance Board. I think everything we have to focus on right now has to be evidence-based. Any funding that's going to go anywhere should be evidence-based. Currently, there's a significant amount of evidence on the efficacy of low back pain studies. I think the current relationship, what the government is currently doing with this ISAEC project and certainly with low back pain, is a step in the right direction. But I think we could probably extrapolate further into other areas of musculoskeletal conditions such as shoulders, low back, as well.

Mr. Victor Fedeli: If you wake up in the morning with awful back pain and you let it go for a day and it starts to become chronic, the go-to for most people, then, who can't afford to go to a chiropractor would be to go to the ER. Is that a correct assumption?

Dr. Albert Scales: That's a very, very correct assumption. I hear people all the time saying, "I wish I came here sooner." The problem is that they're financially burdened, of course.

Mr. Victor Fedeli: The ER, we also continue to hear, is one of the most expensive places—from the provincial coffers—for people to end up, as well.

I'm a big fan of chiropractic. I told this committee last week, when I was thrown from a Ski-Doo—I must have this habit of getting thrown because I was thrown from a horse in 2011.

Dr. Albert Scales: I'll give you my card. How's that?

Mr. Victor Fedeli: Dr. Brian Wolfe in North Bay—

Dr. Albert Scales: I know Brian very well.

Mr. Victor Fedeli: I figured you would. He's taken very good care of me.

Dr. Albert Scales: Tell him I said to say hello.

Mr. Victor Fedeli: He got me back on a horse. You know the expression: When you fall from a horse, get back on it. Well, Dr. Brian Wolfe has helped me get back on a horse.

There are some people who can afford to go the chiropractic route and there are some who can't.

Dr. Albert Scales: Correct.

Mr. Victor Fedeli: Do you have any thoughts, then, on what happened in the past and what we should be doing in the future?

Dr. Albert Scales: Yes. I think a lot of people—and we all agree with this—are certainly utilizing their

extended health care benefit plans a lot more. That's being restricted now because a lot of that is between the individual companies. I think the bottom line is, there are a lot of seniors who find it very, very difficult. I believe I've heard some innuendos that perhaps partial funding for seniors who are a lower socio-economic status may help. I do not believe ODSP even covers chiropractic, so that's one of the reasons why we're trying to help out with the community health care centres.

It all comes down to patient access. It's amazing how, when people have an extended health care benefit plan, they feel perfect or they think they are better when their extended health care benefit has expired. But the bottom line is, I think a lot of it is not to get them on a treadmill, but to educate them and inform them about how they can do the best they can for themselves.

Mr. Victor Fedeli: Dr. Scales, thank you. I enjoyed that.

The Chair (Ms. Soo Wong): Thank you very much, Dr. Scales, for your presentation, and thank you for your written submission.

Dr. Albert Scales: Thank you for your time.

CHILDREN'S MENTAL HEALTH ONTARIO

The Chair (Ms. Soo Wong): The next group coming before us is Children's Mental Health Ontario. I believe it's Kim Moran, the chief executive officer, coming before us. Good morning. Welcome, Ms. Moran. As you heard, you have 10 minutes for your presentation followed by five minutes for questions from the committee. This round of questioning will be coming from the third party. You may begin any time. Please identify yourself and your position for Hansard purposes.

Ms. Kim Moran: Thank you very much. My name is Kim Moran and I'm the CEO of Children's Mental Health Ontario, which represents 88 accredited community-based children's mental health treatment centres. We work to build a children's mental health system within an integrated system of care that provides treatment for children and families when they need it.

I came to this position because I have a kid. My kid got very ill when she was 11. She became sad and depressed and we needed help. We couldn't get it. There were wait-times of over a year, and within a couple of months, she deteriorated and became suicidal. For those of you who are parents, you can imagine what that feels like, to have a suicidal 11-year-old.

We ended up in an emergency room and then an inpatient psychiatric unit and then transferred to a community-based children's mental health centre for five months—five long months of 24/7 treatment—because she was a danger to herself. Through medication and treatment, we were so happy to have her come back home, but I can't tell you how hard that time was on our family.

She needed two more years of intensive treatment from community-based children's mental health centres and she was ready to go back to school just over a year

ago. I'm happy to say that now she is better. She's a happy-go-lucky 15-year-old struggling in grade 9 just like every other grade 9. But she has a chronic illness. She has mental health problems that are going to wax and wane over the course of her life and she's going to need supports.

In my professional life, I'm a chartered accountant. I've worked for big companies and small companies—Ernst and Young, TD Bank, and most recently as chief operating officer at UNICEF Canada. I think in cost-effective systems and processes and, I must say, when I went through this, that wasn't the case. That's what makes me passionate about changing the system. I estimated—don't forget I'm an accountant—that the care for our daughter cost probably half a million dollars of government money. I couldn't negate the fact that if we had had help early on, it wouldn't have cost that much. It didn't make sense to me.

1050

Right now, there are over 6,000 kids across the province just like my daughter who are on wait-lists for treatment. They're in many of your ridings. It's spread across the province; there's no area unscathed. If those kids don't get treatment in a reasonable amount of time, they're going to end up in expensive emergency rooms, expensive in-patient psychiatric units, child welfare and youth justice systems, and will need incredible amounts of support from the school system. All of those resources are far more expensive for the government than investing in treatment right now for those kids.

If you need a better reason for investment, that investment goes further. There's lots of research demonstrating the fact that if you invest now with children, the lifetime cost of supporting those children, like mine, who have chronic mental health issues to get the short-term benefit plus the long-term benefit is reduced.

The government has made some substantial investments in mental health over the past couple of years, through the new strategies that they've implemented. For children's mental health, they're rolling out lead agencies across the province, which is a really strong structural change that will impact in three to five years. The government invested in wait time reduction in 2011. What those did was create much better access, quicker access. Walk-in clinics were announced across the province. For kids who need two or three sessions to get them back on track, those clinics are extraordinarily effective. However, for the children who need longer terms of treatment, who are mentally ill, who have significant mental health issues—like my daughter—those wait times and wait-lists are still significant.

Conversely, the reform that has gone on across the government actually has created additional demands in the community-based children's mental health treatment sector. Hospitals are focusing on high-acuity cases. It's important that they know their spot in an integrated system of care, and they've sorted that out. They're discharging those kids into the community sector. Those kids, like my daughter, can't wait a year.

In child welfare, they're decreasing the number of group homes that are used. They're increasing the number of kids who are staying in homes. Those families and those kids need help, and they can't wait a year.

School Mental Health ASSIST, which educates teachers across the education sector—an amazing program—about early signs of children's mental health issues is a great program, but it's also causing referrals into the community sector as well. Days like Bell's Let's Talk, which is tomorrow, have caused a decrease in stigma, so parents like me get help earlier.

All of those have created demand pressures that amount to 10% per annum for children in this sector. So what we are asking is for an investment to reduce wait times in long-term counselling and therapy. For \$30 million, the wait-list will drop from over an average of a year across the province to an average of four and a half months, and you'll treat almost 7,000 kids every year with that investment.

Thank you very much.

The Chair (Ms. Soo Wong): Thank you very much for your presentation.

Ms. Forster, do you want to begin the questioning?

Ms. Cindy Forster: Yes. Thanks so much for being here. Living here in Niagara, we are severely underfunded—

Ms. Kim Moran: Yes.

Ms. Cindy Forster: —lack of access for children's mental health services. I'd like to hear your comments about why children should be treated in their communities and not have to go far and wide to actually get some treatment, get some counselling, get some psychotherapy.

Ms. Kim Moran: It's really important that they're in their communities, because it has to be a joint effort with their families. Both families and children need to understand how to deal with these chronic mental health issues. Our family needed support and training as to how to deal with a highly anxious kid. Every day, I have to employ those techniques to help her when I go home.

For families that struggle, they need support directly to them so that they can be that support network for their children. You can't do that when your kids are far away. You can't do that when you have to drive hours to get to treatment. This has to be an ongoing treatment support system, that you can get help in your community. It's absolutely crucial.

Ms. Cindy Forster: Last year—I don't remember if you were here specifically—

Ms. Kim Moran: No, it was Gordon Floyd.

Ms. Cindy Forster: —but somebody was here and said that you had significant financial challenges—

Ms. Kim Moran: Yes.

Ms. Cindy Forster: —in the child and youth mental health sector that continued to threaten existing services and undermine efforts. Now, you did talk about some investments in 2011 and some programs that are working but that have wait-lists and growth. We know that hospitals are being starved with flat-lined budgets, which is really impacting hospital care, as well. Did the govern-

ment listen to you last year and continue to make investments in the child and youth sector—inflationary increases?

Ms. Kim Moran: No, we haven't had inflationary increases or base funding increases for over a decade. As a result, this of course impacts on wait times and waitlists across the sector, but even more importantly, I would say, it really impacts trying to build high-performing organizations. Minister Hoskins was clear that we need community care to be an important cornerstone of health reform, and you can't build high-performing organizations when you haven't had funding increases for over a decade and when your staff are paid 30% to 35% less than the hospital and education sector. For social workers, they tend to come into our sector, and once they're trained, then they go off into other sectors where they can get substantial pay increases, which certainly, for long-term care of our kids, doesn't make any sense at all.

Ms. Cindy Forster: Question, Wayne?

Mr. Wayne Gates: Yes. It's kind of timing for me, actually. I had a young lady come into my office yesterday, quite frankly in tears. She has a young child who has severe mental health issues, and quite frankly she's at the end of her rope. She's going to end up having mental health issues herself, along with her family and her kids.

It was a very tough couple of hours yesterday afternoon, but what she was saying to me—maybe you can help me with this, because I have my staff looking into it today and I actually phoned this morning. They can't do it anymore. Their son needs 24/7 care, and she doesn't want to put him into the system, which would be FACS, where another family would take care of him. So, to your point, we've got to find ways and solutions, and this one obviously wasn't done at an early stage.

Ms. Kim Moran: That's right.

Mr. Wayne Gates: Is there something out there that this mother and this family can look at 24/7 for their son, and in some cases maybe a daughter? Because, quite frankly, there isn't anything more important to us than our children. In Niagara, quite frankly, we've seen an increase in suicides among young people. There are a number of issues that are going on in Niagara for a number of reasons. Some of it is family-related, some of it is jobs and some of it's the circumstances going on in Niagara. But is there something I can say to this parent on where I could direct her to go to get the help that not only their son needs now but, quite frankly, the entire family needs?

Ms. Kim Moran: Absolutely right. That's a very common complaint, where people don't know where to go. In that specific area where it's very severe, there are, in the community system, residential placements for families like that, where you get respite and treatment for both the child and the family, so that then you can get ready to take care of your child again when they come back home. We can talk off-line and I'll get you some contact information, but I certainly understand how a family feels like that. We certainly weren't in that state,

but I have to tell you, when your daughter is actively suicidal and you have to put knives away, it's pretty hard to leave the house.

The Chair (Ms. Soo Wong): One minute, Ms. Forster.

Ms. Cindy Forster: The government is cutting \$500 million over the next two years from our schools.

Ms. Kim Moran: Yes.

Ms. Cindy Forster: I know there's a relationship, certainly, between children's mental health and the education system and the supports that are in place there. What impact do you think the cuts to the education system—how is that going to impact children in need with mental health issues?

Ms. Kim Moran: Well, I think that it will have an impact with regard to kids like my daughter. When she goes to school, she requires substantial supports. I mean, she is a high-performing kid, very intelligent, but she has an anxiety disorder. She needs extra time. She needs extra support. She needs an extra guidance counsellor; I'm on the phone with her guidance counsellor frequently. So for cuts in education, you're going to see that those kinds of kids are going to struggle more, which only means that you have to have a stronger community-based sector in order to support that. That's what my concern would be.

Ms. Cindy Forster: Thanks so much.

The Chair (Ms. Soo Wong): Thank you very much, Ms. Moran. If there is any written submission, can you make sure the Clerk receives it by this Friday at 5 p.m.?

Ms. Kim Moran: Yes.

The Chair (Ms. Soo Wong): All right. Thank you very much.

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ONTARIO NURSES' ASSOCIATION, REGION 4

The Chair (Ms. Soo Wong): The next presenter is the Ontario Nurses' Association, region 4: Dianne Leclair.

Ms. Dianne Leclair: Good morning.

The Chair (Ms. Soo Wong): Good morning; welcome. Ms. Leclair, as you heard, you have 10 minutes for a presentation. This round of questioning, for five minutes, will be coming from the government side. You may begin any time. Please begin by identifying yourself and your position at ONA for Hansard purposes. Thank you.

Ms. Dianne Leclair: Thank you very much. Good morning, and thank you for the opportunity to speak. My name is Dianne Leclair. I'm a registered nurse and I'm the vice-president for region 4 for the Ontario Nurses' Association, or ONA.

I have been working as a registered nurse for more than 30 years. My time has been evenly split between Port Colborne hospital, and currently I work for HNHB CCAC, the community care access centre, as a care co-ordinator.

ONA is Canada's largest nursing union. It represents 60,000 registered nurses, RNs, and allied health professionals, as well as 14,000 nursing student affiliates. We provide quality care each and every day in hospitals, long-term care, public health, the community, clinics and industry.

Registered nurses are extremely concerned about the extent of understaffing that exists in Ontario hospitals, in our long-term-care facilities and in the community, and we feel this is strongly impacting the quality of care for our patients.

In the Hamilton and Niagara region, registered nurses have identified significant challenges to the delivery of safe and quality patient care as ongoing restructuring takes place and the implementation of staffing mixed models replaces RN care with less qualified staffing.

First, let me repeat the basic facts on the extent of RN understaffing in Ontario. Overall, Ontario has 71 RNs per 10,000 population. This is compared to 83.6 RNs for 10,000 people in the rest of Canada. This ratio is the second-lowest in Canada. This creates a significant gap in RN care for Ontarians while you're in a hospital, whether you are discharged to community care or you're in a long-term-care facility.

In fact, it means, first of all, that the hospital-based operating budgets must increase, and secondly, a nursing human resource plan must be developed for Ontario just to start to catch up with the staffing levels in the rest of the country.

This morning, I'll begin my remarks with the examination of the dire need for more registered nurses in our hospitals to manage the increased care needs of our complex, unpredictable and unstable patients. I'll start by looking at overcrowding and overcapacity in our regional hospitals. Hamilton Health Sciences, for example, reports that \$25 million in savings are necessary in this fiscal year, which only makes matters worse. Hamilton-area acute care hospitals already report that the pressure on acute care bed resources in the Hamilton Niagara Haldimand Brant LHIN is reaching "crisis levels." This warning comes from a report prepared directly for the LHIN.

As of December 2013, for example, there were 544 patients in the HNHB LHIN assessed as needing a level of care that did not require them to be in the hospital, and 70% of those patients were waiting in acute care beds. This essentially means that 17.5% of acute care beds in operation in the HNHB LHIN are unavailable for patients to be admitted. The majority of these patients occupying these beds are 75 years or older and they have different levels of physical and cognitive impairment. Fifty-five per cent of these individuals were waiting for home care from the community care access centre and waiting for placement into a long-term-care facility.

The standing committee should be aware that in late 2013, the HNHB CCAC announced a Home First program, a program that discharged from the hospital, with home care supports, people waiting for long-term-care beds. But this was not financially feasible and sustainable

within their funding capacity. As a result, changes were introduced to the assessment process for the level of care and risk management for patients that could be supported in the community. This has an impact on discharge planning for patients who do not meet the criteria. In addition, according to the LHIN alternate-level-of-care report, patient waiting times for placement in a Hamilton long-term-care facility range from 10 to 526 days. This scenario plays out across the province.

As a result, elective surgeries are being cancelled. Emergency patients are facing longer waits and overcrowding and are being redirected. Regional referrals are being restricted, except for those critically ill. Patients are being repatriated back to community hospitals that are already overcapacity and understaffed.

There is extensive literature on the relationship between higher RN staffing levels in hospitals and improved quality-of-care outcomes for our patients. Unfortunately, RN staffing levels in Ontario hospitals have not kept pace with the increasing complexity of patient care and are not keeping patients and nurses safe.

RN staffing is associated with a range of better patient outcomes: reduced hospital mortality, hospital-acquired pneumonia, infections and length of stay. In Ontario, however, three years of frozen base operating funding for hospitals has resulted in the elimination of millions of hours of RN care. At the same time, this care can't be replaced in the community, and waiting lists for home care and placement in long-term care grows.

Any discussion of relieving overcrowding and overcapacity in hospitals must look at a strategy for home and community care, as it is the integration across the continuum that is a critical factor for patient transitions. However, to take funding from one sector at the expense of another health sector seems, to front-line nurses, like a major mistake, and will not integrate care, but will lead to unintended care consequences for patients and families. ONA is calling on the government to restore base hospital operating funding to at least account for the costs of inflation and population growth.

In addition, it is essential to address the inadequate ratio of RNs to population in order to integrate care across the continuum to provide improved access to nursing care, to retain our experienced nurses and to rebuild our aging nursing workforce. That is why we are calling on the government to develop a nursing human resources plan.

We also have to address inequalities in working conditions to attract new nurses to community care and to retain experienced nurses as services are shifted out of the hospital as part of the government's plan to transform the delivery of health care in Ontario.

At the same time, our long-term-care facilities must have minimum staffing standards. They should be funded and regulated to manage the increasing levels of senior citizens who now require more care as they are discharged from the hospital.

These are not isolated decisions and they must be considered together. Addressing challenges sector by sector

will not achieve the government's objective of quality care and improved patient outcomes.

A key success factor to improve the accountability, transparency and quality of care in the transition to home and community care, and to expand capacity across the continuum of care, must be to improve the coordination and quality of care received by patients discharged from hospital acute care to community care. It must be one continuum.

Currently, there is a massive duplication of services and resources in CCACs and in provider home care agencies just to manage the existing request-for-proposal contracting process. At the same time as there are reports about quality of services by provider agencies, we have new roles being introduced directly into CCACs that include a rapid response nurse that provides the first in-home nursing visits to patients with high-risk conditions within 24 hours of being discharged. These nurses are helping patients with the transition from hospital care to home care to reduce the risk of readmission. It appears to us that this is a good model to replace the current fragmented home care system that really requires one central point for the coordination of care and of more integrated roles.

The current care coordination practice in Ontario CCACs does not provide complete care coordination for patients. The current practice should be expanded to coordinate the full range of care needs for clients in home and in community care, but also as the need for services crosses into other sectors, such as primary care.

There is evidence that shows that when a care coordinator was able to coordinate a range of services for the frail elderly based on need, the use of hospital emergency care, acute care and long-term care declined. Therefore, we are calling for a clear redefinition of care coordination in CCACs as complete care coordination based on patient needs.

Now is the ideal time for CCACs to begin to bring the delivery of home care nursing services directly into the CCAC. First of all, the approach would result in cost reductions for the procurement process and the elimination of multiple levels of management in a variety of home care providers and in CCACs. This approach will focus on the complete coordination of patient needs, combined with the delivery of their direct nursing services in CCACs, to measure outcomes and address patient concerns related to the quality of care being delivered by multiple provider agencies and worries about the care being curtailed if patients complain.

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The Vice-Chair (Mr. Peter Z. Milczyn): Ms. Leclair, I have to cut you off. You're already well over 10 minutes and I want us to have some good questions.

Ms. Wong has some questions of you.

Ms. Soo Wong: Thank you very much, Ms. Leclair, for being here today. I'm going to put on record that I was a member of ONA. I think my colleague Ms. Forster is also a former member of ONA.

Thank you very much for your presentation this morning and for being here to represent ONA and your region. I want to begin by thanking your members, but also the collective nurses, for your contribution to the system called health services, because, at the end of the day, being the largest body in Canada in terms of recognizing nurses in Ontario, your members provide quality care in the system. So I want to recognize that piece.

Are you aware that Minister Hoskins has recently announced the review of the CCACs?

Ms. Dianne Leclair: Yes.

Ms. Soo Wong: And what is your members' and your region's participation in the CCAC review?

Ms. Dianne Leclair: I actually sat on one of the reviews, so I was there with the group that was meeting.

Ms. Soo Wong: And then you had some opportunity to provide some input, which you just shared with us at this committee?

Ms. Dianne Leclair: I did. One of the nice things about working for CCAC was that I was able to bring the stories, the actual things that were going on, and how we then can improve.

Ms. Soo Wong: Okay. In your presentation this morning to the finance committee, you raised some concerns with respect to the long-term care, the acute care and CCAC. Let's go on record. First of all, there has been significant research put forward that here in Ontario we have the most institutionalized care when it comes to long-term care. Can you provide some evidence to this committee? How do we deal with it, because we have an aging population, right?

Ms. Dianne Leclair: Absolutely.

Ms. Soo Wong: So how do we address it? Because the data already proves that we have the most institutionalized long-term care in the system. Yet the community—I believe this area has one of the most aging populations.

How do we address this piece? I know, coming from a very diverse community in Toronto, in Scarborough, that seniors don't want to be in long-term care. How does your organization address this issue? Institutionalized care—you cannot build enough long-term-care homes.

Ms. Dianne Leclair: Absolutely.

Ms. Soo Wong: So how do you address that issue, and can you share some insights in terms of best practices?

Ms. Dianne Leclair: I think one of the issues is that you have to ensure that if you're not going to move to institutionalization, you put the care, then, into the community. One of the things I see is that right now, we are reactive—we react to a person getting into a crisis, we react to a situation—instead of being preventative and putting resources upfront.

I'll give you an example when I worked over Christmas. I had a gentleman who was 50 years old; he was a new diabetic. He was mentally challenged but very, very high functioning; he lived at home and had great, great community supports. I put in the nursing to go ahead and teach him now to give his insulin, but our

criteria under CCAC really didn't allow me to put in a dietician because it wasn't considered urgent.

To me, if you think about it and you walk through the system, maybe one or two dietitian services would have helped him in what was proper to eat, because it's not just about giving the insulin; it's about knowing the whole person and what they're about to eat. Yes, I had a dietitian in the hospital, but we all know that I can tell you anything, but if I go into a home and see what their food is actually like, what their cupboards actually have, I would have better outcomes.

We're so afraid to put in those one or two visits upfront because it's going to cost the system. In the end, I got that gentleman home safely—he did not return—because I put the proper dietician and the proper nursing in.

A lot of what I think happens is we don't put the proper care where it's needed first, in the right place at the right time, and we actually create people who then decline so rapidly that institutionalizing, whether it's coming back to the emerg or going into a nursing home, becomes the issue.

The Vice-Chair (Mr. Peter Z. Milczyn): Thank you, Ms. Leclair. No doubt we could spend the rest of the day on that.

If you do have anything in writing that you'd like to submit, please send it to the Clerk.

Ms. Dianne Leclair: Thank you.

CEM ENGINEERING

The Vice-Chair (Mr. Peter Z. Milczyn): Our next witness is CEM Engineering: Mr. Lensink—two Mr. Lensinks—and Mr. Pillar. If you could just state your name and position for the record.

Mr. Martin Lensink: My name is Martin Lensink. I'm the principal in charge of CEM Engineering in St. Catharines.

The Vice-Chair (Mr. Peter Z. Milczyn): You have 10 minutes, sir. I see the engineer has come prepared.

Mr. Martin Lensink: The engineer is very prepared. Bear with me: I have a PowerPoint presentation. It's quick.

I've entitled my presentation "If Ontario Adopts a Carbon Tax." What I didn't put in words, but which I want to say, is "as a new revenue source." I'll just throw that out, to get your involvement. Perhaps Ontario will introduce a carbon tax as a new source of badly needed revenue.

I'll give you the background on the issue, define what the issue is and the impact that it will have on Ontario, and define our ask.

Several years ago, the province of Ontario, via what was then the Ontario Power Authority, introduced this program called saveONenergy. It's a conservation program to help customers of all types use less electricity, because the cheapest form of new electricity is conservation. In the lower left, there's a program called "process and systems upgrade," where electricity-intensive

customers can get up to 70% for initiatives that reduce their use of electricity.

We have customers who have directly benefited from this program. Magna, who you all know about, which employs 1,200 people in Guelph, got a \$7.3-million grant from the province. Campbell's soups, Etobicoke—and if you walk through these plants, members, it's like Canada; there are people from all over the world; there are a lot of new Canadians working in these plants; these are very valuable, high-end jobs—400 employees in Toronto, and they got a \$5.1-million grant. Toyota employs 4,000 people in Cambridge. They got a \$10.8-million grant; and 3M in Brockville, with 170 employees, got a \$2-million grant.

These are all valuable employers in the province of Ontario for whom we have provided engineering services and who have benefited from a program which was then offered by the Ontario Power Authority, which is now part of the Independent Electricity System Operator.

Some other recent developments: Ontario's Long-Term Energy Plan includes combined heat and power procurement.

The next one is what I wish I had brought along for you. Ontario's Conservation First Framework directive includes small-scale—I emphasize "small-scale"—under-10-megawatts, behind-the-meter customer generation as a conservation and demand-management initiative.

There's a wonderful order in council from your own Bob Chiarelli, where he instructs the OEB and what was then the OPA, which is now the IESO, which is considered in the public interest.

Just by way of background, I started CEM 14 years ago after a 21-year apprenticeship. In 2011, I had 13 employees. Now, because of the initiative of the province of Ontario through the program I just told you about, I employ over 40 people. That's very important: 40 people in Niagara, in an area where there are not many jobs.

This is the article in the Globe and Mail that shook me to my core—I didn't sleep that night: "BC Premier Clark Extols the Virtue of a Carbon Tax During Ontario Visit" to Kathleen Wynne. What did I say to myself? "Oh, shit. This is a problem for me, and it's a problem for my customers."

So here's the issue: If Ontario adopts a carbon tax, the business case for high-efficiency, behind-the-meter cogeneration combined heat and power disappears. It disappears. Engineering firms like ours will have to let staff go. Energy-intensive clients, like the four examples I cited earlier, will not have the option to reduce and manage electricity prices in response to the infamous Dalton McGuinty Green Energy and Green Economy Act. The Green Energy and Green Economy Act came in: lots of solar, lots of wind. Power prices went up. Industrial customers like the ones we serve say, "Oh, shit," and now the province offers them an option, which is this behind-the-meter stuff to manage electricity prices. But if Kathleen Wynne introduces a carbon tax, that's the end of that.

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Our ask, in closing: Please, members of Parliament, avoid the contradiction between the carbon tax and Ontario's Conservation First framework, because there's a direct contradiction there. If Ontario does adopt a carbon tax, please exempt those clients who generate electricity strictly for their own use if the utilization of fossil fuel exceeds 65%. That's it.

The Vice-Chair (Mr. Peter Z. Milczyn): Thank you very much. I believe Mr. Arnott has some questions of you for five minutes.

Mr. Ted Arnott: Thank you for your presentation.

Mr. Martin Lensink: You're welcome.

Mr. Ted Arnott: It was very graphic and direct.

Mr. Martin Lensink: How many presentations have you heard this morning already, right? A bunch?

Mr. Ted Arnott: Well, you made your point. Certainly, from our perspective as the official opposition, we are opposed to the imposition of the carbon tax in the form that the government appears to be going, but I think it's very helpful for government members in particular to hear what the practical impact may be if indeed the government proceeds at this time: 40 jobs in Niagara region. As you said, the unemployment rate here is high.

Mr. Martin Lensink: Yes.

Mr. Ted Arnott: We can't afford to lose any jobs in the Niagara region. Obviously your employees have to be informed of what might happen too. But I want to commend you for coming forward, and I think that, hopefully, we can work together to make sure that the government understands the impact.

You mentioned Magna in Guelph. Did you mean Linamar?

Mr. Martin Lensink: No, I meant Polycon.

Mr. Ted Arnott: Polycon. Okay.

Mr. Martin Lensink: Right across the street from Linamar is a company called Polycon that makes bumpers. They are a Magna company. It's well known that Magna in Ontario—get this: Magna in Ontario spends \$85 million a year on electricity. So the Green Energy and Green Economy Act and the ensuing price increases that resulted had a huge impact on that \$85-million bill. Can Magna pass on the price increases to the Big Five, Toyota, the big automakers? No, they can't. They're stuck. This way the province made it possible for them to manage that present and future electricity price by giving that 40% grant, which Magna immediately matched with a 60% capital allocation. It's across the street from Linamar.

Mr. Ted Arnott: Have you ever seen an estimate of how much electricity has been saved or conserved through the saveONenergy program? Has there been an estimate?

Mr. Martin Lensink: That's a very good question. I'd love to table that and I'll get back to you. Yes, what was then the Ontario Power Authority, which January 1 of this year became the IESO—there have been estimates done on that. Yes, sir. I personally don't have it. What has already been saved through these conservation initia-

tives is in the long-term energy plan for the province of Ontario.

Mr. Ted Arnott: If we could ask, Mr. Chair, to have legislative research look into that and give an answer to the committee, I'd appreciate that very much.

Thank you, sir.

Mr. Martin Lensink: You're welcome.

Mr. Ted Arnott: My colleague Mr. Fedeli has some questions too.

Mr. Martin Lensink: Sorry, I'm a little bit ignorant. You guys are—

Mr. Victor Fedeli: PCs.

Mr. Ted Arnott: We're the Conservatives.

Mr. Victor Fedeli: We're the good guys.

Mr. Martin Lensink: You're the good guys. Are you Liberals or Conservatives?

Mr. Ted Arnott: We're the Conservatives.

Mr. Martin Lensink: Conservatives. Okay.

Mr. Victor Fedeli: I told you, we're the good guys.

Mr. Martin Lensink: Okay.

Mr. Victor Fedeli: Do I get his extra time as well, by the way?

The Vice-Chair (Mr. Peter Z. Milczyn): You have about two minutes left.

Mr. Victor Fedeli: Well, all right. You were very succinct in the criticism of the Green Energy Act, which I entirely agree with, and you know that we would completely repeal that. It has tripled our hydro rates in Ontario and caused, as you mentioned, higher unemployment: 300,000 people who used to work in manufacturing in Ontario aren't there today, primarily because of high energy rates.

When you talk about Magna, I want to switch gears just for a second, because not only do they pay \$85 million in electricity rates; they also commented not only about the carbon tax but about the Ontario pension tax that's being introduced by this government. They said that it will cost them \$36 million a year in additional tax and that they will no longer open any plants in Ontario if the registered pension plan is integrated.

I want to go to your ask about the contradiction between the conservation framework—can you further explain how a carbon tax contradicts that? When you say it would negate it, would cancel that program, how, specifically, would it do that?

Mr. Martin Lensink: If I look at what BC has introduced in terms of the carbon tax, 90% of the life cycle of costs of what we're doing for these industrial customers is natural gas. If there's a carbon tax applied to natural gas, the cost would go up by 25%, and there would be no more investment potential by the private sector. It would become—

Mr. Victor Fedeli: Because there would be no savings?

Mr. Martin Lensink: Yes, there would be no savings and they wouldn't invest. The beauty of the program is that the province is getting new power without putting up any public money. This is all private sector initiative. It's high efficiency. The Magnas of the world and the 3Ms of

the world simply could no longer justify the capital investment.

The Vice-Chair (Mr. Peter Z. Milczyn): Mr. Arnott and Mr. Fedeli have used up their five minutes of questioning. There is, however, about three minutes left that the witness hasn't used. Is there agreement to allow additional questioning?

Mr. Martin Lensink: If I could just make one comment: If we're going to get off coal, which we did, there's a price to getting off coal. If there is a decision to get off coal, it's inevitable—it has been borne out in every jurisdiction in the world—that it's going to cost more. The fact that prices went up—the province should have known that.

The Vice-Chair (Mr. Peter Z. Milczyn): The question I pose to the committee is, is there agreement to allow the Conservative caucus to use the remaining time for additional questions?

Interjection.

The Vice-Chair (Mr. Peter Z. Milczyn): You have about two minutes left if you have any extra questions.

Interjection.

Mr. Victor Fedeli: It doesn't work that way.

Mr. Martin Lensink: No? That's too bad. How can I enter this directive from the minister? This is where the contradiction starts.

The Vice-Chair (Mr. Peter Z. Milczyn): Any written submissions that you wish to submit, you can give to the Clerk.

Mr. Victor Fedeli: When you talk about the coal—and we all agree that Elizabeth Witmer, a former MPP from our caucus, is the one who first ordered the coal plants to be closed—why did you say that the government should have known that there would be increased costs? I agree with you, by the way, and I think I have a thought, but I'd like to hear yours.

Mr. Martin Lensink: The price of coal has historically been very cheap because there's 500 years of it in the ground. So when they decided, for a multitude of reasons, to get off of coal, the alternatives, which are infinitely cleaner, are going to cost money. That's borne out in Europe, in Australia, in the UK. It's not possible to get off of coal, which is the cheapest form, and not have it cost more.

Mr. Victor Fedeli: The former Auditor General was pretty clear in November 2011. He told us that when the Green Energy Act was developed, it was done without consultation and it was done without a business case, much like the smart meters. This new Auditor General told us the same thing: It was done without consultation, done without a business plan. I think everybody would acknowledge that if you don't do a business plan or a case study or a business assessment or a case assessment, you're going to have surprises. The biggest surprise in the Green Energy Act was the fact that not only was it one of the richest subsidies, but we have 20-year contracts—but the biggest problem was the fact that the government agreed to take the power whenever it was generated and they were not aware, because they didn't

write a business plan, that wind makes most of its power at night, when it's not needed in Ontario.

Mr. Martin Lensink: Just a closing comment—thank you very much.

Mr. Victor Fedeli: Please.

Mr. Martin Lensink: I thank the government for the initiative they took two or three years ago with this program, and I ask the government to look out for jobs in Ontario. Let's keep the jobs in Ontario, please. This is just one strategy towards keeping those jobs. Thank you.

Interjection.

The Vice-Chair (Mr. Peter Z. Milczyn): Mr. Gates, we've got 30 seconds left—

Mr. Victor Fedeli: And it's my 30 seconds.

The Vice-Chair (Mr. Peter Z. Milczyn): And it's Mr. Fedeli's.

Mr. Victor Fedeli: That's all right. Do you want to make a point?

Mr. Wayne Gates: I just want to make a point that I think that—

The Vice-Chair (Mr. Peter Z. Milczyn): Mr. Gates.

Mr. Victor Fedeli: Is it a point of order?

Mr. Wayne Gates: I just want to make a point—

The Vice-Chair (Mr. Peter Z. Milczyn): Is it a point of order?

Mr. Wayne Gates: Yes.

The Vice-Chair (Mr. Peter Z. Milczyn): What is your point of order?

Mr. Wayne Gates: Just for the presenters, because I don't think we're clear on—

The Vice-Chair (Mr. Peter Z. Milczyn): No, no. Points of order are to the Chair.

Mr. Wayne Gates: To the Chair: I think we should make sure that the people who are coming here know that it's only one party who can ask questions so there is no confusion around that.

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The Vice-Chair (Mr. Peter Z. Milczyn): That's not really a point of order, but that will be clarified by the Chair.

Mr. Martin Lensink: I should have known that. I apologize. Please forgive me.

The Vice-Chair (Mr. Peter Z. Milczyn): That concludes our time for this witness. Thank you very much, sir. As I said, if you do have any written submissions, please do submit them to the Clerk.

Mr. Martin Lensink: I do. I left that with the Clerk.

The Vice-Chair (Mr. Peter Z. Milczyn): Thank you.

NIAGARA HEALTH COALITION

The Chair (Ms. Soo Wong): I believe the next presenter is Niagara Health Coalition. Sue Hotte is the co-chair. Am I correct? Welcome. Good morning. Please introduce yourself and your position with the Niagara Health Coalition.

You have 10 minutes for this presentation, followed by five minutes of questioning from the committee. This

round of questions will be from the official third party. So welcome. Please identify yourself for Hansard.

Ms. Sue Hotte: Thank you very much. My name is Sue Hotte, and I am the volunteer co-chair of the Niagara Health Coalition, which is a non-partisan organization dedicated to protecting health care for all and ensuring that public policy regarding our health care system is democratic and equitable.

I'm also co-chair for the Save the Welland Hospital and Save the Niagara-on-the-Lake Hospital citizens' groups.

Looking at the key issues: In repeat surveys across Ontario, the Ontario Health Coalition has found that Niagara has faced the most severe hospital cuts. Cuts have had a detrimental impact on patient access to care in our region. In the 2013 budget, the hospital global funding was frozen. A zero increase in the face of increasing inflation means real dollar cuts and cuts to care.

More than 100 hospital beds have been cut since 2008 in our area. That's about one in every seven hospital beds in Niagara. Our hospital is on code gridlock most of the time. That means that all the beds are full. More than 200 hospital staff, including nurses and support staff, have been cut. Each clinical person—for example, a nurse—contributes an average of 1,900 hours of patient care. At the present time, we're losing 10 more beds and face the closure of a small community hospital in Niagara-on-the-Lake. The scope of hospital cuts in Niagara has been truly devastating.

The cuts bear no relation to community needs for services. They're just cuts to meet arbitrary budget levels, and this has to stop.

We urgently need the health care cuts to stop and we need the government to reinstitute sound planning to meet our community's needs for health care services. There have been no needs assessment, bed planning or regular health system capacity planning since the early 1990s.

Home care is an excellent service, but it is inadequate to meet the complex needs of patients offloaded from our hospitals, and it is severely rationed. Health care services need to be based on sound planning to meet community needs.

Finally, we'd like to draw attention to the auditor's findings on the high costs of privatized P3 hospitals. We know that if we hadn't had them, we could have saved \$8 billion. So privatization is not saving money; it's costing us billions. The new St. Catharines hospital was financed at an interest rate of 9.1%—much higher than if the government had gone out and taken a loan. At the end of the day, the government pays for it, so why go for a higher interest rate? You certainly wouldn't do that if you were looking for a car.

Recommendations in terms of hospital cuts:

(1) After eight years of hospital funding increases that have been set below the rate of inflation, hospital cuts are very severe, and access to all vitally needed hospital services has been compromised. Nowhere in Ontario have the cuts been as draconian as in Niagara. Hospital fund-

ing needs to be improved and stabilized and a moratorium must be placed on cuts to hospital services and expanded user fees for seniors.

(2) In Niagara, in particular, the plan is to close five hospitals and replace them with one. These plans should be stopped. Niagara Falls does need a new hospital. That being said, the other hospitals should not be closed. The Welland hospital serves over 90,000 people. The Fort Erie and Port Colborne hospitals cater to complex care patients. Where will they go? Certainly not to the new small proposed Niagara Falls hospital.

In the 2014 budget, funding for hospitals was again frozen. Ontario has the fewest hospital beds per capita of any province in Canada, by far. Our province has the highest level of hospital occupancy of any jurisdiction. Too many people are spending a lot of time in emergency rooms—five or six days—before they can even get a bed.

Long waits for long-term care: According to data from the Hamilton Niagara Haldimand Brant CCAC, there are more than 3,144 people on wait-lists for long-term care in Niagara, and average wait times are almost two years but can be up to six years. This further underlines the fact that the hospital cuts must be stopped. There is truly nowhere to place patients unless you're bumping others in need further back in the line.

Key facts: To give a sense of the scale, we have 3,144 people on wait-lists. Our total long-term-care bed capacity is 3,529. According to CCAC data, on average, 90 spaces in total become available per month across Niagara's long-term-care homes. It would take approximately 35 months, or three years, to clear the backlog.

The bottom line: The data shows that there is no plan to ever provide care for more than 1,000 residents on the wait-lists. This is planned and purposeful rationing of needed care on the part of our government.

The average number of days Niagara residents are waiting for basic long-term-care home spaces is 615 days. Wait times for public homes, which are preferred by most people, are much higher than that.

Our third recommendation: Access to public and non-profit long-term care must be improved. Our area already has many communities where over 28% are 65 and older, and it's getting greater with each year. We need more non-profit long-term care in our region to meet the needs of our senior population living at or below the poverty line. We do have a very poor population in Niagara. They cannot depend on their families to help them out.

Patients should not be offloaded from hospitals without adequate care. Care levels in long-term-care homes must be improved to meet the higher acuity and more complex care needs. We recommend a minimum care standard of four hours of hands-on nursing and personal support per resident.

Recommendation 4: Stop the privatization of P3 hospitals and use the savings to improve operational funding to our hospitals and access to needed health care services. In December, the auditor found \$8 billion in higher costs due to the P3 privatization. I've given some details in my report.

Our health region has experienced the high costs of P3 privatization. The new St. Catharines hospital was built as a P3. Over the course of the negotiation of the contract, the projected cost for the hospital increased from \$305 million to more than \$851.4 million. Over the 30 years of the contract, we will pay about \$1.5 billion. That's a heck of a lot of money for a hospital that, first of all, was only going to cost \$305 million. That money should really go back into long-term care, into home care, into providing the beds. Now what we have is Niagara experiencing some of the worst hospital cuts of any hospital in Ontario.

When we started to look at the P3 contract, we were having a great deal of difficulty getting some costs, and what exactly was going on. There is an outline there of the process. The Niagara P3 project continues to be shrouded in secrecy, and the main document containing the P3 deal is a project agreement that's hundreds of pages long. All the vital information pertaining to costs is redacted, meaning that the information is blacked out—this despite the fact that the public is paying more than \$1 billion for this project.

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Our big concern is that there is going to be a new hospital built in Niagara Falls, and we certainly don't want to see that hospital be a P3.

Peterborough was able to build its hospital without being a P3. It's the same size as the St. Catharines hospital and there were great savings. That money is much needed in our health system. Thank you.

The Chair (Ms. Soo Wong): Thank you very much for your presentation. Mr. Gates, do you want to begin the questioning?

Mr. Wayne Gates: Sure. First of all, thanks very much for your presentation. I think it's important for the other parties to hear exactly what's going on in Niagara when it comes to health care. You talked about the P3s. I've been talking about P3s long before becoming an MPP and long before I became a city councillor.

I don't know how anybody in any party can justify spending \$1.1 billion on the St. Catharines hospital when you can build the exact same hospital like they did in Peterborough for about \$350 million. If you care about money, why would you not save that money and then reinvest that money into front-line health care, whether it be home care or whatever it would be? It makes absolutely no sense to me.

We just talked about Niagara-on-the-Lake. We had another presenter talk about Niagara-on-the-Lake where 26% of that population is aging. What are we going to do in Niagara-on-the-Lake? We're closing their hospital and getting rid of their beds. There are a lot of things here.

I want to talk about the new Niagara Falls hospital. That hospital is eight to 10 years away. That's not a hospital that's going to be done in a very short period of time, yet we continue to close beds. We continue to cut.

I want to say, give us a suggestion on what we should do with health care in Niagara outside of the P3, making sure that we spend that money back on proper care.

Ms. Sue Hotte: Well, the first thing is certainly the funding. The system is underfunded. That's why they're cutting. That's why they're closing the Niagara-on-the-Lake hospital, why they're closing those beds. It's basically looking at how I can make sure that I don't have an operational deficit at the end of the year.

In the report they had indicated that none of the hospitals would be closed until the new hospital was built. Guess what? They're closing it. Why are they closing it? It's to save money. Why are they trying to save money? It's because they're having an operational deficit. Why are they having an operational deficit? It's because of the funding, and you have to increase the funding. You can't keep it at zero per cent. Inflation keeps rising. There you go; that's it.

Mr. Wayne Gates: Thank you.

The Chair (Ms. Soo Wong): Ms. Forster?

Ms. Cindy Forster: Thank you, Ms. Wong. Thank you for being here today, Sue. It's interesting. The government has been talking today about health care and about the move from hospitals, and how we couldn't possibly create enough long-term-care beds to support our aging population, and people don't want to be in a long-term-care facility. They need to be in the community.

Unfortunately, the maximum care that they can get is three hours a day. You can't actually take somebody who's getting 24-hour care a day, who has multiple, complex problems, and give them only three hours of care a day and expect them to actually not end up in the emergency department again.

They talk about respect for those people who work in the community, but in fact the nurses who work for the community care access centre may be on strike on Friday because they don't respect them enough to give them wage parity with the hospital nurses. So they really don't respect them at all.

How do we reconcile all of these things? We don't have enough nursing home beds. It took this government nine years to build 96 beds and the ground just broke a month ago. They promised those beds in 2007. They made this announcement and they made it year after year for nine years to get only 96 beds in Welland, when we have 3,100 people on the wait-list. How are we going to address those issues?

Ms. Sue Hotte: That's a very good question. I think the government does have to address those issues and certainly do the planning. It's no surprise that we need these beds. We've known about it. We've been talking about the baby boomers aging for 20 years now. Somehow, somebody has really been asleep at the switch because we have people who need to get into long-term-care homes and there's no place, and they're waiting and waiting and waiting.

The families are trying their best to help them. They're putting in all kinds of support etc. But at the end of the day, that's the government's responsibility. The government needs to do something about it, and they need to do it quickly, because it's not just in Niagara; it's everywhere. Someone has been asleep at the switch in the

Ministry of Health. You need to really address that problem.

The Chair (Ms. Soo Wong): Thank you very much for your presentation.

Ms. Cindy Forster: I have a few more questions, Soo.

The Chair (Ms. Soo Wong): I'm sorry, but the time's up.

CHRISTIAN LABOUR ASSOCIATION OF CANADA

The Chair (Ms. Soo Wong): The next group is the Christian Labour Association of Canada. I believe we have two presenters.

Good morning. Welcome. As you heard, there are 10 minutes for your presentation, followed by five minutes of questioning from the government side. Can both of you identify yourselves, along with your position within your organization, for the purposes of Hansard, please? Thank you.

Mr. Hank Beekhuis: Sure. Thank you. Good morning, Chair and members of the committee. My name is Hank Beekhuis. I serve as the provincial director for CLAC. I'm joined today by Andrew Regnerus, who is our provincial construction coordinator.

For those of you who are not familiar with CLAC, we are the largest independent multi-sector labour union in Canada and one of the fastest-growing unions in the country. We represent over 65,000 workers in a broad spectrum of sectors, including construction, health care, manufacturing, oil and gas, service and mining. In Ontario, specifically, we represent over 15,000 workers, primarily in health care and construction.

Our deputation today will focus on two main priorities for the 2015 budget: first, legislated, minimum-standard-of-care funding for long-term care of four hours per day, per resident; and the second is in the construction industry. We are looking for fair and open construction tendering for public work.

Let me start with health care. It's nice to be able to agree with some of the people who spoke before me. I'll be laying out the need for a legislated minimum standard of care.

In this province, we fund our long-term-care homes on a per diem basis, through three funding envelopes, the main one being the nursing and personal care envelope, which is used to provide direct patient care on a flow-through basis. The criteria for what can be funded out of this envelope is tight and it is not exclusive to costs incurred in providing hands-on care. For instance, costs associated with nursing supplies, dietitians and WSIB claims can be funded out of this envelope, as well.

At last report, the ministry claimed to be funding at a level of 3.4 hours of care. Our estimate of actual hands-on care in long-term care is much closer to 2.8. With so little time to look after our complex care needs, patient dignity, safety and care are being seriously compromised. This is nothing new. I've been doing this for 30 years,

and, frankly, we've been talking to the government for 30 years, and very little has changed.

These residents are our mothers, fathers, grandparents, siblings and friends. Despite this and the well-intentioned investments that have been made by successive governments, we are still failing these patients. In fact, in Ontario, we have one of the lowest per capita long-term-care fundings in Canada, second only to British Columbia and well below the average. The average for Canada is about \$183 per resident a day. In Ontario, it's \$155.

While we are cash-poor in our long-term-care homes, we are regulation-rich. Our members consistently report to us that they feel the system places more emphasis on keeping the record that a service like a bath was performed rather than on how the bath was performed. Many are reporting they have only enough time to give residents what they call "dips" to satisfy the regulatory requirements.

Further, they report that their time is so compromised that they have under eight minutes in the morning to get patients dressed, toileted and ready to attend breakfast. Have you ever tried to get anyone dressed and ready in eight minutes? Now add physical and mental challenges and see how you fare. In fact, I challenge each of you to try it tomorrow morning.

Rushing patients is not only undignified, but it can significantly upset patients with mental health conditions like Alzheimer's and dementia, and puts both patients and staff at risk of violence. In a 2000 study done by Albert Banerjee and others from York University, they found that 43% of long-term-care workers encountered violence daily. This is compared to 10% in Nordic countries that were part of the same study who did not report the staffing challenges that we face in Ontario.

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In the same study, 43% of workers reported working short-staffed on a daily basis and 66% on a weekly basis. Since 2008, when the study was published, the funding and staffing situation has not improved in long-term care. Furthermore, patient acuity levels in our homes are increasing significantly, primarily due to longer life expectancy and the emphasis that the ministry has placed on aging at home—which is a good emphasis, by the way, but adds pressure to the staff in resident care when residents finally make it to a long-term-care facility and are much more compromised than they used to be. The establishment of a minimum standard of care at four hours of funding will ensure that patients are cared for with the dignity and respect they deserve and that patient and staff safety is adequately protected.

On top of the aforementioned reasons for moving forward with the minimum standard of care, the studies we have reviewed point to benefits for patients that go far beyond safety and care with dignity and respect. The evidence from a number of US and Canadian studies, including studies prepared for the US Congress, have linked staffing levels at 4.1 hours of hands-on care to improvements on many health conditions, including urinary tract infections, sepsis and pressure ulcers.

Accordingly, based on evidence we reviewed, we expect that funding to a minimum standard of four hours would result in better care outcomes and the avoidance of some potentially significant acute care costs.

To sum up, Ontario needs to establish a legislated minimum standard of care to do three things. It will ensure Ontario seniors get the care they deserve, it will reduce violence in our long-term-care homes for staff and patients, and it will improve patient outcomes and avoid acute care costs. After numerous calls for a minimum standard of care for Ontario and the evidence to support that initiative, we hope that this committee will recommend moving forward with this item in the 2015 budget.

Now, we'd like to go to our second ask, which is fair and open tendering. What we're asking for is a fair and open tendering for all publicly funded construction projects. As a matter of principle, CLAC supports fair and open competition, whether it is concerning who to affiliate with or who to allow to bid or work on a public project. We believe fundamentally in the superior benefits of open competition from the perspectives of fairness, value and efficiency.

For construction procurement, it is our contention that all publicly funded construction projects should be openly tendered to all qualified Ontario contractors and workers. This is the practice at the provincial and federal levels, but unfortunately certain municipalities and other provincially funded bodies are forced to restrict tendering on certain public projects as a result of their certification with a particular construction craft union. The impact of closed tendering for municipalities in Ontario has been estimated by a recent study to be approximately \$283 million. On a per-project basis, the cost for each project can increase anywhere from 2% to 40%, wasting scarce infrastructure dollars. The reason for tendering restrictions on certain municipalities and public bodies that are not in the principal business of construction is a flaw in our provincial labour law, which treats anyone doing construction as a construction industry employer for the purposes of the Labour Relations Act.

Unfortunately, municipalities and others, like school boards, can be treated as if they are private construction companies under the law and be forced to participate in province-wide bargaining designed for construction companies. This is an unintended consequence that has been used legally by some to gain monopoly over work. It does not benefit the vast majority of construction workers in any way to keep the law the way it is. The primary impacts are fairness for Ontario contractors and Ontario workers who are excluded from public work and on to the costs to government and taxpayers who are paying for these projects.

As mentioned earlier, the costs for closed tendering in Ontario have been estimated at almost \$283 million. We have learned of a recent case in Hamilton where restrictions cost the taxpayers there \$300,000 more on a \$2-million project. I ask you, Chair and members of the committee, if you think that the province or our municipalities should be wasting provincial taxpayers' money

because of a loophole in labour relations law. Put another way, closing this loophole would save half the amount needed for a legislated minimum standard of care for Ontario seniors. Isn't it a better way to spend our hard-earned and in-demand tax dollars? As with the minimum standard of care, we hope you will recommend that the Ontario Labour Relations Act will be amended to prevent municipalities and other public employers who are not in the primary business of construction from being classified as construction industry employers.

Thank you. We will be sending our written submission electronically before Friday.

The Chair (Ms. Soo Wong): Okay. That would be great. Thank you very much. This round of questioning is from the government side. Ms. Albanese, do you want to begin?

Mrs. Laura Albanese: Yes, I'll start the questions. First of all, I want to thank you for presenting to the committee today, and I want to thank you for the issues that you've brought to our attention and for the work that you do every day. It is important to everybody.

I do understand, and I think everyone at this table would concur that we want to treat our fathers, our mothers and our grandparents in a respectful way and with dignity. We're all aging, ourselves. We would want to create a system that is good for when our turn will come, so we're with you on that.

You are right in identifying that as we implement more resources into the community, the seniors who do reach the long-term-care homes have more complex conditions. That's something that I've been able to see myself in my own riding of York South-Weston. When they reach the long-term-care home, they are in more need than they would have been in the past.

I know you're asking for the four-hour minimum standard of care. How long has it been at 3.4 hours, the standard that we have now?

Mr. Hank Beekhuis: It's been there for a long time. Resident acuity in the province increases by about 2% annually. I don't think anything has changed since 2008.

Mrs. Laura Albanese: So it's been a few years that it hasn't been increased.

Mr. Hank Beekhuis: Yes.

Mrs. Laura Albanese: The other question I had: Because we do see, as you mentioned, more patients with Alzheimer's and dementia living in long-term-care homes, do you believe there should be a different standard for caring for those patients?

Mr. Hank Beekhuis: It's certainly time-consuming if you want to deal with compromised patients who have dementia or Alzheimer's. It's much more time-consuming than residents who are quite capable, because you can't do things quickly.

Mrs. Laura Albanese: No, absolutely, I realize that. But for example, you were mentioning the eight minutes to get dressed, and if you have some patients who are more high-functioning and others who are slower, you may divide your time. But if most of your patients suffer from dementia and perhaps from Alzheimer's, then I do

understand that it becomes a situation that puts you under more pressure.

I guess my question was, and I repeat it, do you think we should have two levels of standards for people suffering from dementia, or is one standard enough?

Mr. Hank Beekhuis: I'm not quite sure of that, whether two standards would help. I think the problem is strictly underfunding in the sense that there is just not enough time. If you have 10 residents to get up in the morning, you start at 6 o'clock in the morning—frankly, I wouldn't want to be gotten up at 6 in the morning—and breakfast is at a certain time. It's an assembly line process. You can't differentiate between one resident and the other.

I think our argument is that a healthy person can't do it in eight minutes. We know that these residents are much more compromised now than they used to be. When I started representing health care workers, there were people who had cars in the parking lot, and they would drive to a local bar. They don't do that anymore. It has changed so radically over the last 30 years. They've largely become chronic care facilities, and we're not recognizing that.

As legislators, you decide exactly, because it's a flow-through envelope. Every penny that goes in gets spent. There's no profit margin in there. You control the hours of care on the floor. What the Legislature is telling us is that eight minutes is enough, and none of you can do it yourself. At a certain point, when you have residents who are very frail and you can't move them very fast, and who need to have a little bit of socialization in the morning, it just doesn't work. I think we can do better than assembly-line care in this province.

Mrs. Laura Albanese: I would have other questions, but I know that my colleague wants to—

The Chair (Ms. Soo Wong): Mr. Baker, one last minute.

Mr. Yvan Baker: Sure. I'll get my mike—oh, there it is. Thanks so much for coming in and for speaking to this issue. It's an important issue in my riding of Etobicoke Centre. We have one of the highest proportions, if not the highest, of seniors in the province, and a number of long-term-care residences. The need to take care of our seniors, the need to care for our parents or grandparents, effectively is something that I spend a lot of time on.

One of the things that I wanted to ask you is this, and I'm going to continue along the lines of Ms. Albanese. You talked about underinvestment in long-term care. What's your view on how we allocate resources between long-term care, community care and other parts of the health care system? Because one of the challenges that the ministry faces is, when you take that envelope of resources, that you allocate it properly amongst all those different areas.

Mr. Hank Beekhuis: Yes, that's always the million-dollar question. I think, from a union perspective, bricks and mortar don't look after people. People do.

I think that, yes, building new facilities is required. Sometimes I think we spend money on physical improve-

ments that could better be spent on actually doing the care, because at the end of the day, that's where real care takes place.

I think home care and, as we had earlier today, getting at things early instead of late—it's always better to get at things early rather than late.

The Chair (Ms. Soo Wong): Thank you very much for your presentation, Mr. Beekhuis. I understand you will be sending a submission electronically to the Clerk, so thank you very much. Thank you to your colleague.

Ladies and gentlemen, I'm going to recess the committee until 1 p.m. We need to be on time because we will have another teleconference around 1:45 this afternoon. I'll recess until 1 p.m. Thank you.

The committee recessed from 1200 to 1300.

The Chair (Ms. Soo Wong): Good afternoon, everyone. I'm going to resume the committee. It's 1 o'clock.

WINE COUNCIL OF ONTARIO

The Chair (Ms. Soo Wong): I believe the first presenter this afternoon is the Wine Council of Ontario. Mr. Schmidt is here. Welcome.

Mr. Richard Linley: It's Richard Linley.

The Chair (Ms. Soo Wong): Oh, okay. There's a new person.

Mr. Richard Linley: Sorry about that.

The Chair (Ms. Soo Wong): So, sir, you have 10 minutes for your presentation, followed by five minutes of questioning from members of the committee. This round of questions will be from the official opposition party. Given that it's not Allan presenting, can you please identify yourself and your position with the Wine Council of Ontario for the purposes of Hansard?

Mr. Richard Linley: Yes, it's Richard Linley—L-I-N-L-E-Y—and it's president of the Wine Council of Ontario.

The Chair (Ms. Soo Wong): All right. Thank you very much, Mr. Linley. You may begin any time.

Mr. Richard Linley: Thank you, Ms. Chair, and members of the committee. I'm Richard Linley. I'm the president of the Wine Council of Ontario. Let me begin by expressing my gratitude for the invitation to appear today as part of your pre-budget consultations.

The Wine Council of Ontario's role is to promote Ontario VQA wines and vintners, support the production of excellent local wines valued both at home and abroad, and build on the substantial economic benefits the VQA wine industry brings to the province.

The wine council celebrated 40 years as an organization in 2014. When the council was formed 40 years ago, the Ontario wine world was a different place, with few wineries, little reputation and not much more than a vision for the future and a willingness to work hard.

Today, we are an Ontario success story. VQA wines and vintners in Ontario have grown from 66 in 2003 to more than 145 today, and we remain dedicated to looking forward and working diligently to meet the needs of our

members and the Ontario wine consumer and the Ontario public.

The opportunities that exist for Ontario consumers, the government and our industry, building on our past success, can be realized by working together. This is my key message to you today.

We have seen significant gains over the past several decades: increased access to the LCBO, the ability to sell directly to licensees, relief from excise taxes and, most importantly, the recognition of our wines as world-class by the international community. But much work remains to be done.

Ontario consumers are demanding increased access to quality Ontario wines, and we will continue to work with the provincial government to realize more opportunities for consumers and our members while, at the same time, investing in our businesses and creating new jobs.

We firmly believe that the government has a stake in our continued success. We need to take advantage of opportunity and solve our competitive challenges together to continue to grow, invest, create jobs and remain competitive.

Ontario's VQA wine industry is important. It is a growing sector, as I said, of the Ontario economy, and we need to create more opportunities.

To give you a snapshot, the total retail value of VQA sales to March 2014 is \$395 million. Every litre of VQA wine sold in Ontario generates \$85.39 in added value, and over 14,000 Ontario jobs are tied to the continued success of VQA wines.

Ontario's Premier has challenged the industry to double its annual growth rate and create 120,000 new jobs by the year 2020—that's across the entire agri-food sector. She has asked the wine industry to see ourselves as a major player in Ontario's economy, a driving force that has the support of the provincial government. We do see ourselves that way, and we know that to meet this challenge, we will have to leverage our many strengths to take advantage of opportunities at home and abroad.

However, global competition, at home and around the world, challenges our future competitiveness. We need to make sure that as our competition innovates and evolves, we also innovate and adapt to stay competitive.

Having more rational and strategic regulatory oversight, along with permanent programs, are important tools to continue our positive growth. But our greatest challenge is the inability of Ontario's distribution structures to keep up with the growth of the industry. This is a lost opportunity.

So we congratulate Premier Wynne and the Premier's Advisory Council on Government Assets for having the insight to address this significant issue of distribution and access. This kind of change is about fairness, about opportunity, about leveraging new investments and, most importantly, creating jobs while producing a local quality product.

For the upcoming budget, we have three priorities that do not require additional government investment but which we believe will provide the right climate for our

industry to continue to growth, invest, compete and create jobs.

(1) Consolidate programs, oversight and accountabilities within one ministry. Our preference would be OMAFRA, the Ministry of Agriculture, Food and Rural Affairs. This will bring a more rational and efficient regulatory approach and more strategic focus to our government interactions.

(2) Ensure public investment in our industry is invested wisely and most effectively. We believe that the current support program for VQA wines would be more effective in leveraging investment and supporting growth if it were a permanent program. We believe this would be best accomplished with tax changes similar to those for Ontario craft brewers.

(3) Achieve greater market access for Ontario VQA wines. We believe this would be best achieved by allowing for private wine retail stores that would be trade-compliant. Giving consumers more access to VQA wines is the most effective opportunity to remain competitive. We believe that Ontario's economic health is best served by the increased investment and job creation that comes with a robust and competitive VQA wine industry. This means growing the whole economic pie, not just being concerned about LCBO revenues. We saw the first small piece of progress with VQA wines at farmers' markets.

To sum up, we want to continue working collaboratively with the Ontario government to maintain and grow our success. The three priorities I have outlined will allow our industry to continue to grow and compete, to invest and to create new, good jobs. I want to thank you again for the opportunity to appear and I look forward to your questions.

The Chair (Ms. Soo Wong): Thank you very much. Before I turn the microphone over to the opposition party, can you make sure you submit your presentation in writing? Because I understand from the Clerk that there isn't anything submitted. We need it by this Friday, by 5 p.m. Okay?

Mr. Richard Linley: Yes, not a problem.

The Chair (Ms. Soo Wong): Mr. Arnott, you'd like to begin the questioning?

Mr. Ted Arnott: Thank you very much, Madam Chair.

Thank you for your presentation. It was very interesting. We heard this morning as well from the Winery and Grower Alliance of Ontario. I assume that you have an involvement with that organization as well and work in concert with them as partners.

Mr. Richard Linley: We do, yes. That's right. We work with them in partnership with the government.

Mr. Ted Arnott: They had some slightly different recommendations, but I want to focus on yours. You said that all of the programs should be consolidated under one ministry, ideally OMAFRA. Can you give us a few examples of how the lack of consolidation currently holds you back and inhibits progress in the industry?

Mr. Richard Linley: Absolutely. Thank you for the question.

Currently the wine industry reports to approximately six different ministries in terms of regulatory oversight. For example, the Ministry of Consumer Services has oversight of VQA Ontario, so that's related to domestic content requirements in Ontario wines through the Wine Content and Labelling Act. That's with respect to the 25%/75% reg for all wines. The Ministry of the Attorney General, for example, has oversight of the Alcohol and Gaming Commission. The Ministry of Finance has oversight of the LCBO. The Ministry of Agriculture has responsibility for grape pricing.

Our ask to government is to find a way to streamline that, which they've done to an extent through the Wine Secretariat, to create a one-window approach for the industry in terms of bringing some of our grievances, irritants or solutions forward in discussions we have with the government. But we would like to see some of the budget programming move over from MEDEI to OMAFRA as a start in that process; then, as we follow up, the expectation that maybe through Open for Business initiatives, we could start to maybe talk about some of the regulatory red tape, just to help both us and the government in terms of having a more streamlined conversation.

Mr. Ted Arnott: That makes a lot of sense on the surface, and I would hope that we as a committee can make that recommendation to the government to evaluate that, hopefully quickly enough to have consideration in the budget.

Mr. Richard Linley: That would be great. We've had very good, constructive conversations with Minister Leal and Minister Oraziotti, who are the co-chairs of the Wine Secretariat, on that particular matter.

Mr. Ted Arnott: The second one, ensuring that public investment has the maximum positive impact: You said that the VQA program should be permanent.

Mr. Richard Linley: That's right.

Mr. Ted Arnott: How precarious are they now? Are they renewed on an annual basis or every two to three years?

Mr. Richard Linley: Yes, the VQA support program is part of the wine and grape strategy, as you probably know, Mr. Arnott, and it's renewed every five years. For example, right now we're moving into the renewal of the program, which the Premier announced in December 2013. That will start April 1, but it's always subject to Treasury Board submissions and government approvals.

The ask that we've made is just to make that program permanent as a whole. That way, we have certainty and predictability from the government in terms of the dollars that are applied to the industry, and that will allow our members through the wine council to invest more wisely and think more long-term about not only their growth, but how they invest in their operations.

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Mr. Ted Arnott: We're living in uncertain times, and that would give your industry some greater certainty going forward.

Mr. Richard Linley: Exactly.

Mr. Ted Arnott: Okay. Good. Lastly, greater market access that is trade-compliant: What specifically would you suggest needs to be done to ensure that that goal is achieved, while at the same time not having us forced to defend ourselves before the WTO?

Mr. Richard Linley: We have a very good working relationship with the WTO, and they're a valued partner for wine council members. What we've suggested, and part of our public policy problem, the definition, is that over 85% of the VQA SKUs that are available through wineries aren't currently in the LCBO. As we've grown as an industry from 2003 up until now, we've nearly doubled in terms of the number of wineries that have product in the market, and currently they can only sell through their on-site winery store or through the LCBO, unlike the craft beer industry, which has both the LCBO and the Beer Store. The ask we've made of government in the discussions that we've had to date is about maybe creating a system that would be complementary to the LCBO, of 25 to 50 stores that would have VQA-only—stand-alone stores to help facilitate that retail channel.

Mr. Ted Arnott: Thank you very much.

Mr. Richard Linley: Sorry, just one last thing, to qualify that on the trade compliance side: Imports would also have access to those stores. You could potentially have a store model that is maybe for wine enthusiasts or at a higher price point that would be trade-compliant. The imports would have access to it, and also the local market, as well.

The Chair (Ms. Soo Wong): I think Mr. Fedeli also has some questions for you.

Mr. Victor Fedeli: Can you give us a quick summary of interprovincial selling of your product and export of your product?

Mr. Richard Linley: There is legislation that has been passed at the federal level in terms of allowing that to happen, in terms of wines to be sold between provinces. We're still limited in that regard. In terms of our strategic imperative, we've tried to make inroads into other provinces in terms of selling our product, to look beyond our own borders. That has been a challenge, but it's something that we continue to work on.

As part of the renewed wine and grape strategy, there is a focus and an onus placed on trying to drive VQA products toward other export markets, whether it be in Canada or overseas, so that will be a big strategic focus for us as we carry on discussions both with the government and through the Wine Secretariat over the next two to five years.

Mr. Victor Fedeli: Are there any impediments today to selling your product to British Columbia or to Quebec?

Mr. Richard Linley: Yes, there currently are restrictions on us being able to sell to Quebec and BC. We have to go through the LCBO in order to be able to do that.

Mr. Victor Fedeli: And how about to the States?

Mr. Richard Linley: The States? We can do that, yes.

Mr. Victor Fedeli: Is it easier to sell to the States than to other provinces?

Mr. Richard Linley: It is if it's for export purposes, yes; that's correct.

The Chair (Ms. Soo Wong): Okay. Thank you very much for your presentation, and make sure you submit your written submission to the Clerk by Friday.

Mr. Richard Linley: Okay. Thank you very much. Cheers.

MULTIPLE SCLEROSIS SOCIETY OF CANADA

The Chair (Ms. Soo Wong): The next group before us is the Multiple Sclerosis Society of Canada, Ontario division. Given that the previous witness changed, I'm going to ask the witness to come and identify herself for the purposes of Hansard, but also for us to know.

You have 10 minutes for your presentation, followed by five minutes of questioning from the committee members. In this round, the third party will be asking the questions. Welcome.

Ms. Donna Czukar: Okay. Thank you very much. My name is Donna Czukar. I'm the manager of government relations with the Ontario and Nunavut division of the MS Society. I was to be accompanied by our president, who, I'm sorry, could not be here today; she sends her regrets. The society wishes to thank the government and the committee for allowing us to come here and present our recommendations.

Today I'm going to touch on four areas that we've noted in our pre-budget submission, and our recommendations that are associated with them. These areas are: the funding of multiple sclerosis clinics, job retention and income support, independent living support, and funding for vitamin D testing.

First, though, I'd just like to start with some key points about multiple sclerosis, because I think that these are beneficial to know; they kind of set the stage for what it is that we're asking and why. First of all, people may not know that Canada has the highest rate of multiple sclerosis in the world, and Ontario, having Canada's highest population, has the largest number of Canadians who are living with multiple sclerosis. Recent statistics are estimating that there are close to 38,000 Ontarians who live with multiple sclerosis, and then if you add to that all the other people who are affected—their families, their friends, their caregivers, their employers, their health care providers and decision-makers such as yourselves—it's a lot of people in our province who are affected.

Most people are diagnosed between the ages of 15 and 40. There are some children who are diagnosed, but the majority are between 15 and 40. These are the prime years for education, entering the workforce, raising families, paying down mortgages, saving money for retirement and contributing to the community. Being diagnosed with a progressive disease during those very productive years can be really devastating, and it affects people for the rest of their life. We'd really like to be able to influence that direction, and we believe that we can.

One of our volunteers, Amanda Piron, is a 24-year-old—some of you, I know, have met her. She was diagnosed two days before her 17th birthday, and she puts it really clearly:

"I don't want to feel as though I might lose my job if my boss finds out I have MS. I would love to be independent for as many years as possible. I need to know that I won't go bankrupt because I have to purchase out-of-pocket catheters, diapers, walking aids, a caregiver ... even my medicine.

"And this is not something I can wait on. The truth is that the sooner you can give someone with MS the support they need, the higher their probability for success is. Because with support I can keep my job, I can live on my own....

"I don't know what my future holds—my disease runs its own course and always has. But I can commit to doing everything I possibly can to fight back and continue to be independent, hold a job, be a contributing member of society—I just know I can't do it alone. I know that no matter what happens to me, I will need support. MS is manageable but it cannot be manageable without support."

So here we are today to talk about some of the ways that we can provide that support.

I'd like to also point out that a lot of our recommendations are probably similar to ones you're hearing from other organizations that support people with chronic illness and disabilities. I think by listening and taking these recommendations from all of us, we can do a lot for the people in our province.

I'm just going to give a brief overview in each of the areas. There's going to be more explanation in the submission that we provided.

The first item is MS clinic funding. Multiple sclerosis is complex, and access to specialized medical care is essential for people with MS. In Ontario, there are nine hospital-based multiple sclerosis clinics across the province, seven of which need additional government funding to continue the level of services that they're providing. It should be noted that in addition to people getting the care they need with this kind of investment, it also helps to reduce the burden within the rest of the health care system. In the 2015-16 fiscal year, and in subsequent years, a minimum of \$650,000 is required to maintain current services. This is with the goal of planning for longer-term solutions, in consultation with government, to meet people's needs.

Jobs and income support is another important area. Ontarians with MS who are employed, like others with disabilities, need support to stay in the workforce. The sooner that they're given support for their needs—accommodation, understanding of their employers—the better their likelihood of staying employed and contributing to society. Unfortunately, though, as much as people with MS and other disabilities want to continue working, there are always some who are unable to do so. These people need improved income support to reduce the hardships that they experience and to participate in

their communities. Existing income support programs and tax credit benefits just aren't adequate for basic needs like housing and food and utilities and transportation, and then add on to that the fact that they have additional requirements for equipment, medical supplies and services associated with their MS. We're recommending that the government take action to provide supports for job retention so people can continue working, and for those who are unable to maintain employment, we're also requesting increased income support. For people with MS and other disabilities, this will help them afford their very basic needs, as well as their health-related needs.

Independent living support is another area that we're focusing on. Ontarians with MS face many limitations that need assistance to manage. They require practical support, such as equipment, medical supplies, home support and rehabilitation services. There's also an associated high cost of electricity to operate equipment and utilize services that are provided during daytime hours. These costs are especially unmanageable when a person's income is compromised.

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While there are existing funding programs for seniors, a lot of people with MS can't access those; they're not eligible for them. We would really like to see the government extend the existing funding programs for equipment and services to be available to people with MS who are not currently eligible for assistance. We also request to have electricity costs reduced for people who need increased electricity for their medical equipment and services that are provided during daytime hours when costs are highest.

Again, I'd just like to quote one of our volunteers who lives with MS, Karen Scott, who reminds us that MS doesn't just occur between 7 p.m. and 7 a.m. when the prices are at their lowest. She has overwhelming fatigue, vision loss and spasticity, and she can't tolerate excessive heat, which means she has to run air conditioning throughout the summer. The temperature can't even go up. If her body core temperature is raised by one degree, it will affect her vision. She needs support to charge her wheelchair battery; she needs a chairlift, all of these things that tax her electricity. What Karen has said is that she would like to remain in her own home as long as possible and she's sure that taxpayers would appreciate not having to pay for her to be in long-term care.

Our final item on our list is around vitamin D testing. As I mentioned earlier, Canada has the world's highest rate of MS. Through research, we're trying to understand why that is and what we can do about it. Recently, studies are showing that there is a relationship between low levels of vitamin D and the risk of developing multiple sclerosis.

There's also evidence suggesting that the levels of vitamin D can influence the course and severity of the disease. This is really significant, the fact that with vitamin D and making changes to vitamin D levels, we

could affect both people's risk of getting multiple sclerosis and the course and severity of their disease.

There is opportunity to improve the situation by managing vitamin D levels into their prevention and care, but to do so we need to be able to have access to testing. Vitamin D testing was delisted to be paid for as an insured service; we would like to have that reinstated so that testing can happen and then that will allow health care providers to better manage people's care.

In summary, action on these priorities has strong potential to achieve Ontario's goals for a more fair and healthy province. It can help to reduce poverty, protect vulnerable citizens and boost productivity in ways that benefit people living with MS, their families and caregivers, and many others throughout our province.

The Chair (Ms. Soo Wong): Thank you very much for your presentation. Ms. Forster, you're going to begin questioning?

Ms. Cindy Forster: Thank you, Ms. Wong.

Thank you very much for being here. The MS clinic funding: I'm assuming that it has been flatlined along with all the other health care funding in the province?

Ms. Donna Czukar: Yes.

Ms. Cindy Forster: And have you had any increases in MS clinic funding in the past four or five years to assist you with the growing numbers of patients living with MS?

Ms. Donna Czukar: Yes. The MS clinic funding goes directly to the hospitals where those clinics are located. It doesn't go through the MS Society.

Ms. Cindy Forster: Right.

Ms. Donna Czukar: We're advocating for there to be additional funding to those clinics so that they can continue to provide the services that they need to provide.

Ms. Cindy Forster: You talked about how you want the government to extend their existing programs. Are you talking about existing programs outside of the funding that they provide in the MS clinics?

Ms. Donna Czukar: Yes. We're talking about services that people need for community support services, so whether it be the cost of medical equipment or the cost of electricity, there are some practices in place and programs that seniors can access, but a lot of our people are not seniors. They're not able to get some of the support, like for physiotherapy or, like I say, the cost of electrical—

Ms. Cindy Forster: So you want the existing programs expanded to actually reflect the age group of people with MS.

Ms. Donna Czukar: Yes, that's right.

Ms. Cindy Forster: Now, you also talked about the need for people to have accommodation in the workplace. Unfortunately, in Ontario we have a lot of precarious, temporary, part-time employment that certainly doesn't assist workers, particularly workers with chronic illnesses, with respect to having a wage that can support a person and a family, perhaps benefits for drugs and devices that they might need to deal with their

chronic illness and sick leave when they need it. I don't know how you get around that without making sure that we have good jobs in this province where people can earn a living that can help them support their chronic illness. I guess the flip side to that is, then you don't work and you go on Ontario disability support, which doesn't do much for keeping people mentally happy and motivated when they have a chronic physical illness.

Ms. Donna Czukar: That's correct. It's certainly a challenge. One of the volunteers whom I referred to has talked about the fact that she has three part-time jobs—that's how she's getting by—and none of those are going to allow her to build up any kind of capacity in terms of where she's going to have benefits.

But I have to say, we're also very aware of people who are working in large companies, large institutions, who've actually lost their job when they've been diagnosed. In those cases, so much could be done to accommodate if there was understanding and a willingness on behalf of employers to do so.

The Chair (Ms. Soo Wong): Mr. Gates, you have two minutes.

Mr. Wayne Gates: Thank you. Yes, that's the unfortunate part, about the accommodation. Through no fault of their own, they get sick and then they're not accommodated in the workplace. They lose their job and then the hardship just becomes more.

There are a couple of things that I think that I'm sure all three parties probably didn't think of. In this case, it was the cost of hydro.

Ms. Donna Czukar: Yes.

Mr. Wayne Gates: When you raised that, I wrote that down: the funding for hydro for people with MS. They have to do what they have to do when they're feeling good—

Ms. Donna Czukar: That's right.

Mr. Wayne Gates: —and it certainly isn't in the middle of the night.

Ms. Donna Czukar: That's right, and a lot of the services that they need—if they have a PSW coming in, that person is doing their laundry during the day. They're not coming at night to do it, when it's a cheaper rate.

Mr. Wayne Gates: The other one I also found interesting on your presentation was vitamin D testing. You'd like to see that—the need to reinstate that. We all know how important that is. How much does it cost to have the testing done?

Ms. Donna Czukar: I'm sorry; I don't know the answer to that.

Mr. Wayne Gates: It might be one that when you make other presentations—I don't believe that cost would be that much, quite frankly.

Ms. Donna Czukar: Right.

Mr. Wayne Gates: To be able to test for vitamin D is so important with somebody with MS that I think it's a minor cost for the need. So it might be something you want to have that answer for, all right?

Ms. Donna Czukar: Okay. Thank you. Yes. Thanks for that advice.

The Chair (Ms. Soo Wong): All right. Thank you very much for your presentation. Thanks for being here.

CANADIAN COALITION FOR FARM ANIMALS

The Chair (Ms. Soo Wong): The next group before us is the Canadian Coalition for Farm Animals. I see two people, so the list is changing, guys. I'm just giving you a heads-up.

Good afternoon. Welcome. As you heard earlier, you have 10 minutes for your presentation followed by five minutes of questioning from the members of the committee. This round of questioning will be coming from the government side. I noticed that there are two people here, so can you please identify yourself and your position with your organization for the purposes of Hansard? You may begin any time. Thank you.

Ms. Vicki Fecteau: Yes, my name is Vicki Fecteau. I'm a member of the Canadian Coalition for Farm Animals. I'm accompanied by Stephanie Brown, who's the director of CCFa.

The Chair (Ms. Soo Wong): Thank you. You may begin any time.

Ms. Vicki Fecteau: Thank you for inviting me to speak today. You should all have copies that look like this. This is my presentation and then a backup document that has more details on the points that I'll make today.

The purpose of my proposal today is to keep Ontario pig farmers competitive and specifically to do that by offering some funding to assist them with converting from gestation crate systems to group housing. Let me give you a little bit of background.

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If you look on the second page—first of all, what are gestation crates? On the left-hand side, you will see a picture of these contraptions. Most of the breeding sows in our province are kept in these gestation crates for almost their entire lives. As you can see, the crates are barely bigger than the animals themselves. They can't lie down comfortably, even. They can't move at all. They must lie in their own waste. After about four years and maybe eight to 10 litters, then they are led to slaughter.

On the other side is a picture of group housing. You can see that, in this picture, the sows are free to walk around. They can lie down comfortably. They can interact with each other. So it is a far better system than the gestation crates.

Canada is somewhat behind in terms of eliminating these crates. Most of the rest of the developed countries—the EU, Australia, New Zealand—and many American states have already banned them. The reason that this is important to Ontario pig farmers is that they export their product to these countries and states, and they are demanding that the welfare of the animals of the pork they import match the welfare standards of their countries and states. Also, within our own country, consumers want more humane conditions for farm animals.

That's being reflected by Canadian restaurants and retailers, who are calling for a ban of gestation crates.

There have been a couple of developments recently. About a year ago, the National Farm Animal Care Council and the Canadian Pork Council released a new code of practice for pigs, and part of that code of practice was that, after last July, in any newly built or renovated facilities that housed sows, they must be housed in groups. As of July 1, 2024, all facilities must be essentially group housing.

The other development is that Ontario's portion of Growing Forward 2 funds, some of them have been allocated to provide subsidies for conversions. That's up to \$100,000 per proposal, for 35% of the cost.

If you look at the actual conversion costs, the estimate is \$575 per sow. There are approximately 342,000 breeding sows in Ontario, for a total of \$197 million. It may be less. We think that the cost per sow is probably high. There are some grants available from Growing Forward 2 that can be put to this purpose, but we think that the Growing Forward 2 grants are only going to cover a small portion of the conversions.

As you may know, Growing Forward 2 covers a wide range of initiatives, some environmental, some animal health and welfare, some business-building initiatives. So there isn't a specific amount allocated for this purpose, but most probably it's going to be a small percentage of the farms.

In terms of the proposal for the budget, what I'm proposing is that Growing Forward 2 grants be supplemented within the Ontario budget in the years 2015 to 2018. That is the three years remaining on the current GF2 program.

Using the same guidelines, \$100,000 for 35% of the cost: 35% of \$197 million is \$69 million, and spreading that over three years is \$23 million a year. So for the budget, it would be \$23 million minus the GF2 grants. The GF2 grants are probably not going to be known until the end of the year, so for administrative purposes, the full \$23 million could go the first year, and then it would be subtracted from the following years.

Now, there are many good reasons for doing this—for the animals, obviously. You don't have to look at those pictures very long to understand that. But for the pig farmers in Ontario, they have to do this. They have to make this conversion to reach the new code of practice for pigs. It is a financial burden. There's no question about that. It's also a logistical burden, because they have to convert their barns, and they have to manage all of their animals, not just the breeding sows, but the rest of their animals at the same time. So it is a financial burden and a logistical burden.

Also, they need to do it soon to remain competitive. I showed you how the other countries and states are demanding that they have reached the state welfare standards. Manitoba, one of the other large pork-producing provinces, is really working on this very aggressively. I think Ontario should be able to keep up.

In terms of the precedence for this level of funding, I'm sure you know that it's not unusual for funding to be given to the agriculture sector when they have financial challenges. For example, a few years ago, \$76 million was put in to address swine flu—many examples over the years of major funding for the agriculture sector to keep it viable.

Also, as you know, there are other industries in Ontario that have benefited from this kind of funding, like the horse racing industry and the wine industry, who I think were just here. So I don't think it's an unreasonable amount to fund the farmers to address this issue.

I went through a lot of numbers pretty quickly there, so you may have some questions.

The Chair (Ms. Soo Wong): Okay. Mr. Milczyn from the government side is going to begin this round of questions.

Mr. Peter Z. Milczyn: I want to thank you very much for your deputation today. It's certainly bringing a very different issue to our attention than what we have been hearing, but no less important.

You noted some of the work that's already being done. Our government, certainly, as you probably know—there's an Animal Welfare Task Force that was established a few years ago that has been working with the industries and coordinating across ministries as to policy, regulation and legislation. So we have been working on this. You also mentioned the new codes of conduct that are coming into force. So all of that work is being done.

I'm very pleased that you also brought some specific numbers for us, because many groups come in and talk about what they perceive as gaps, but they don't necessarily tell us the dollar amount. So I really want to thank you for your presentation in terms of that.

Now, you mentioned a number of other jurisdictions. Manitoba is the Canadian one. Do you know what they're doing in terms of providing financial assistance to their pork industry? Are there any dollars that you're aware of?

Ms. Vicki Fecteau: Do you want to answer that?

Ms. Stephanie Brown: I don't know the specific dollar amount, but they are active in terms of developing research systems-wise, costs for those—they have been the leader in that. They are also one of the provinces, as is Ontario, that are providing funds through Growing Forward 2. So they are very active. They are a large pig producer, just as Ontario and Quebec are. But they are on the leading edge.

Mr. Peter Z. Milczyn: And some of the US jurisdictions that have also adopted these new practices—are they providing financial assistance to their pork industries?

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Ms. Vicki Fecteau: No, they're not. They have just banned them, and that's it in the US. Now, in the EU there are some examples where they've offered substitutes to the farming community for this. Ireland and Denmark, specifically, are ones that I could find where they gave subsidies to their farmers to alleviate the cost.

Mr. Peter Z. Milczyn: In all of your research, which is obviously very extensive, have you identified anything in terms of export markets? Can you quantify what this might mean to the Ontario pork industry—how much our exports could go down or how much they could go up—depending on how quickly this issue gets addressed?

Ms. Vicki Fecteau: I don't have a specific number. I do have some data on that, but not with me, so I will get that data and send it to you.

Mr. Peter Z. Milczyn: Yes, if you could send it to the Clerk before 5 p.m. on Friday, that would be very helpful.

Ms. Vicki Fecteau: Can you comment on that, Stephanie?

Ms. Stephanie Brown: No, I don't have that either.

The Chair (Ms. Soo Wong): Okay. I believe Ms. Vernile has a question. Ms. Vernile, you have one minute.

Ms. Daiene Vernile: Thank you very much for coming and informing us on this important issue of animal welfare. When I look at this picture of the gestation crates, my heart sinks. Besides speaking to this committee today, have you had the opportunity to go before the Ontario government in any capacity, such as the ag ministry, and talk about this already?

Ms. Stephanie Brown: We've been to speak to Greg Douglas, who is the Chief Veterinarian for Ontario, about a number of farm animal welfare issues. There are initiatives in Ontario which are positive, such as the impact program, whereby \$2 million is being spent to educate producers to do a better job. The thinking is there and the good intentions are there, but in terms of providing actual dollars for the conversions, so far that's not there, and that's what we would encourage.

I would just add to your comment about those sow stalls that sows cannot turn around—literally cannot turn their bodies around—for the four months when they're pregnant, when they are kept in the gestation stalls. Then they're moved to another crate, called a farrowing crate, where again they cannot turn around. It is a constant process of being in a cage where you cannot turn your body around.

Ms. Daiene Vernile: I think the fact that you are approaching this from a dollars-and-cents point of view as well as humanitarian or animal welfare is the right approach, so you're on the right track. Thank you.

The Chair (Ms. Soo Wong): I think Mr. Baker has the last question. Mr. Baker?

Mr. Yvan Baker: Just a very quick question. Thank you so much for raising this. Where is the pork industry on this? You spoke about how, if this kind of financial support were provided, it would help the industry to adapt more quickly to what you think the new approach should be, but where are they on this? Are they advocating for this, and are they asking for financial support to be able to retrofit their facilities?

Ms. Stephanie Brown: Well, the new codes of practice for pigs—the Canadian Pork Council is part of the process of developing those codes of practice, so they're

very much on board; they realize that they have to do this. From our perspective, we thought that giving them some funding to accelerate it—that's really the reason behind us coming.

The Chair (Ms. Soo Wong): Ladies, thank you very much for your presentation. If there is any additional information, please submit it to the Clerk by Friday at 5 p.m. Thank you very much.

MR. JEFF MOLE

The Chair (Ms. Soo Wong): Our next presenter is coming to us by conference call: Jeff Mole. Jeff, are you on the line?

Mr. Jeff Mole: Yes, I am. Can you hear me?

The Chair (Ms. Soo Wong): We can't hear you. Can we have the audio? Jeff, can you hear us?

Mr. Jeff Mole: I can hear you. Can you hear me?

The Chair (Ms. Soo Wong): We need it a little bit higher. Can we get a little bit higher volume?

Mr. Jeff Mole: Okay.

The Chair (Ms. Soo Wong): That's great, Jeff.

You know who I am. I'm Soo Wong, the Chair of the Standing Committee on Finance and Economic Affairs. I'm delighted that you can join us this afternoon in this discussion of the pre-budget consultations. Let me begin to introduce the members of the committee at the table. From the government side we have Laura Albanese, Yvan Baker, Ann Hoggarth, Peter Milczyn and Daiene Vernile; from the opposition party, Ted Arnott and Vic Fedeli; and from the third party, Cindy Forster and Wayne Gates.

Mr. Mole, you have 10 minutes for your presentation, followed by five minutes of questioning. This time around, it will be from the official opposition party. You may begin any time. Please identify yourself and the organization you are from. Thank you.

Mr. Jeff Mole: Thank you, Madam Chair. My name is Jeff Mole. I'm here today as an individual. I have acquired specialized knowledge in the field of community enterprise as it relates to government procurement and government assets.

I'm presenting today because I believe governments have overlooked a significant opportunity to create jobs and grow our economy through a business model referred to as community enterprise.

Let me begin by explaining that a community enterprise is a co-op, without share capital, that creates jobs and generates economic activity, with a view to reinvesting any surplus, or profits, for the betterment of Ontarians.

A co-op is a business run by a group of people who get together to develop a business that meets a need and provides benefits. The co-op structure provides each member with a vote on the affairs of the corporation. This model creates a democratic governance structure which is used to determine if a business need can be met in a self-sustaining manner.

Madam Chair, we often find ourselves competing with other jurisdictions to attract companies so that they will create jobs and invest in Ontario. These so-called strategic investments are often referred to as "corporate welfare." When this model works, it is usually very good for the province. However, when this model fails, it makes the government look really bad.

Let's be honest: Offering millions of taxpayer dollars in grants and inducements to profitable private companies does not sit well with taxpayers.

Another way to develop jobs is through government procurement. This is particularly evident at this time, as we consider investing 5% of our GDP in building new infrastructure.

Clearly, we need to address the infrastructure deficit, and in so doing, we can create jobs, but at what cost to the taxpayer?

As we look to the private sector to provide the skills and services in this area, we should ask ourselves: Why do we privatize, and is there an alternative?

In an effort to find additional revenue to fund new infrastructure, the Premier has appointed a council to review, identify and consider opportunities to sell government business enterprises. The council report is imminent, and their report is expected to inform the government's budget process.

Unfortunately, despite numerous requests, the council has been, shall we say, a little difficult to get a hold of, so that I could make a submission about community enterprises. Accordingly, I'm concerned that the government will overlook the role that community enterprise can play in maximizing the value of government assets for Ontarians.

Why do we privatize? There are many reasons. Some would argue that the private sector is more efficient at delivering services, and sometimes the public sector does not have the skills required to undertake certain tasks. Other reasons include: encouraging competition to lower costs; shifting the risk from public to private sector; attracting private investment; reducing wages; and the list goes on.

I would suggest that one of the main reasons for privatization may be that many Ontarians want to reduce the size of government and ensure that the public sector focuses on delivery of core services.

It is my submission that there is an alternative to privatization that enables governments to achieve the goals sought through privatization, but with a better return on investment for taxpayers and better outcomes for our economy and future generations.

Let me be clear: I have nothing against the private sector seeking out opportunities to innovate, create markets and fulfill a need for specialized goods and services. I do, however, take exception to enriching private and foreign corporations with opportunities that are taxpayer-funded, that exploit our valuable natural resources or valuable government assets and crown lands, or that take a regulated public service and turn it into a private one. As stated earlier, there is an alternative.

What is the downside to privatization? Standard procedure for government is to issue a request for proposals for the asset, or the delivery of the goods or services needed, through a competitive process. The problem with this model is that it reduces our ability to protect the public interest and provide maximum benefit for Ontarians. This is mainly because the process does not permit us to protect these opportunities from foreign ownership. It is also my submission that privatization may exacerbate the problem of income inequality.

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It is my submission that we have a lot to learn from examples such as the privatization of the 407 toll highway. But we could also learn from the not-for-profit Greater Toronto Airports Authority. Therefore, I encourage any member of the Ontario Legislature to introduce a community enterprise act so that we can have a conversation about this innovation.

I submit that community enterprise can supply the skills and services to fulfill the needs of government while protecting the public interest and providing a better return on investment for taxpayers and providing maximum benefits for Ontarians. This reduces burdens on government and, in the long run, by providing a new source of revenue for social programs, can help build up Ontario.

I submit that, given the right policies and priorities, community enterprise can deliver public services in a competitive manner. Community enterprise can sustainably develop and process our natural resources for the benefit of Ontarians and future generations. Community enterprises can acquire various assets from the government at fair market value, thereby freeing up the value in these assets for building infrastructure. Furthermore, community enterprise would ensure that the benefits from these assets remain in Ontario and provide ongoing benefits for Ontarians.

Opportunities exist for Ontarians to benefit from economic activity and jobs from community enterprise. However, there are hurdles, mainly mobilization and access to affordable capital.

The primary hurdle is mobilization of Ontarians. Ontarians don't seem to recognize government procurement opportunities before it's too late. Community enterprise does not have the capacity to take advantage of these opportunities, but we should in order to create jobs and, yes, stimulate the economy.

My mission today is to ask this committee to recommend that the 2015 budget contain measures to help build this capacity. I ask the government to please give Ontarians the tools they need to attract the human resources, affordable capital and expertise necessary to move forward on the acquisition of public assets and development of domestic procurement opportunities. To do this, we need strategic policies and investment by government.

Job creation is an urgent priority. Community enterprise can help achieve this priority. There are similar models in other jurisdictions; however, this variation on

these models is a made-in-Ontario innovation. Governments can create jobs and deliver taxpayer value by making strategic policies in these areas.

Some of the areas where this model would apply are school busing; farming and local food processing and distribution; mining in the Ring of Fire; energy generation and distribution such as electricity, biodiesel and oil refining; liquor and beer sales and distribution; toll highways and highway maintenance; and resource extraction and processing such as mining, forestry, aggregate and, yes, even water. Other areas are waste management and waste-to-energy. Even invasive species eradication could be an area to pursue. One area on the federal level is wireless communication and licensing, perhaps even data warehousing. The list goes on: attainable housing, community building. Community enterprise can build vibrant downtowns, can help retain youth in small communities and can create jobs. Untapped retail markets, real estate development and even insurance—

The Chair (Ms. Soo Wong): Mr. Mole, can you wrap up your presentation? Your 10 minutes are up, and I want to give the opposition party an opportunity to ask you some questions.

Mr. Jeff Mole: Sure. I have a number of asks about what will go into the budget, but I will send them in writing. Basically, we're looking for amendments to various acts, some omnibus measures. Finally, I would ask that each member of the Legislature challenge the Premier's Advisory Council on Government Assets to undertake a thorough analysis of community enterprise within the context of their mandate.

Madam Chair, it's my hope that the committee agrees that the measures proposed herein will provide jobs and growth for Ontario. Thank you for your time and consideration of these measures.

The Chair (Ms. Soo Wong): I'm going to start with Mr. Arnott. You can begin your questions for Mr. Mole.

Mr. Ted Arnott: Hi, Jeff.

Mr. Jeff Mole: Hi, Ted. How are you today?

Mr. Ted Arnott: I'm fine, thanks. How are you?

Mr. Jeff Mole: I'm doing great, thank you.

Mr. Ted Arnott: Good. I want to thank you very much for your presentation. Even though you weren't here, I can tell you that all the members were listening intently, and we appreciate your interest in participating in this process. I thought your presentation was very interesting and thought-provoking.

But I do have a question, and that is, has the community enterprise concept been adopted in any other jurisdiction, say in North America? Or is it something that you've come up with on your own?

Mr. Jeff Mole: Well, I would suggest that the Greater Toronto Airports Authority is an example of a community enterprise. That's a not-for-profit corporation providing a very valuable service and making money. They happen to reinvest their revenue that they make into the growth of the business. That's just one example.

The community energy sector has been very large in other jurisdictions, such as Denmark, Germany. The not-for-profit sector is not something new to the Legislature. The not-for-profit sector, however, tends to focus on smaller, shall I say, social enterprises and doesn't really go after the big fish, the big opportunities, such as government procurement and government assets. One could argue that, over the next decade, we could be spending upwards of a trillion dollars on infrastructure and other government procurement. We need to find a way to ensure that we get the best bang for the buck on that spending.

Mr. Ted Arnott: Okay, thank you very much.

The Chair (Ms. Soo Wong): All right, I have Mr. Fedeli who wishes to ask you some questions, Mr. Mole. Mr. Fedeli?

Mr. Victor Fedeli: Jeff, how are you this afternoon?

Mr. Jeff Mole: Great, thanks. I'm glad to hear from you.

Mr. Victor Fedeli: Yes, it's good to have your presentation. Thanks for the thoughtful presentation, Jeff.

Let me preface my question with a little history from a year ago in December. The Auditor General showed us in the Ontario Northland presentation that we received in December that a fire sale of all of Ontario Northland's assets would not have saved the \$265 million that was put in the 2012 budget, but rather it would have cost the province \$820 million to go through with that sale.

After we disclosed that, nonetheless, the government did put a halt on the sale of the majority of Ontario Northland, but did go ahead with the sale of Ontera, and it's going to cost the taxpayers—we haven't seen the documents yet—somewhere between \$50 and \$70 million. We're still waiting for that number.

Jeff, how would a community enterprise solution have worked in the case of the government's sale of Ontario Northland's Ontera?

Mr. Jeff Mole: So, as I said, the immobilization is the issue. Basically what I'm asking the government to do is make a strategic investment in mobilizing community enterprises so that we can form a corporation to represent Ontarians' interest in Ontera. What would happen is a corporation would look at Ontera and come up with a business case to save that corporation and protect it for the benefit of Ontarians and for the benefit of future generations. If there's a business case there for the sale of it, I would argue there's a business case there for turning it into a community enterprise.

Does that—

Interruption.

Mr. Jeff Mole: Can you hear me? Did you hear my answer?

Mr. Victor Fedeli: Yes, we did, Jeff. Thank you very much.

Mr. Jeff Mole: Did I answer your question?

Mr. Victor Fedeli: Yes. Of course, all of that is academic now because the Ontario division is sold. It was sold for something along the lines of \$6 million, even though most recently, \$22 million was spent putting a

fibre ring in, so we've got a loss of somewhere between \$50 and \$70 million. As I said, we're still waiting for the Auditor General's final report on that.

Do you have any final comments? Because you're familiar with Ontario Northland and Ontera, do you have any closing comments on that before we let you go?

Mr. Jeff Mole: Well, I would say that Ontario Northland is a great asset for development in the Ring of Fire. There's \$60 billion worth of chromite and other resources in that area and the proponents are asking Ontarians to invest \$10 billion in infrastructure. I think there is a great opportunity to expand Ontario Northland to fulfill that need, but also there has to be a business case for it, and I believe there is.

Mr. Victor Fedeli: Jeff, I feel the same way. Sadly, even though the Ring of Fire was discovered in 2007, Ontario Northland, the only company that has ever moved iron—or ore, I should say—in the north is not even at the table for the Ring of Fire discussions, never has been and has not been invited. The fact that the government wanted to put them for sale or had put them for sale, I think, speaks pretty clearly to the fact that they have no interest in having a northern Ontario solution to the Ring of Fire transportation.

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Mr. Jeff Mole: I will be trying to approach the Ring of Fire development corporation to explain the business case for community enterprise because I believe that Ontarians do need to get a better return on investment if we're going to invest \$10 billion in infrastructure in the Ring of Fire.

But the list goes on. In your area in particular, Vic, you've got a lot of waterfalls that could be developed for the benefit of Ontarians, but the way it's going right now, if those waterfalls are going to be developed by foreign corporations, that needs to stop and it needs to stop right away. The province is prepared to procure \$10 billion worth of renewable energy this year. We need to extend a policy directive from the minister to the IESO to stop giving out contracts to these foreign companies, but we can't do that under the trade agreement or else we'll end up in trouble, but we can say community enterprise is going to take a priority.

The Chair (Ms. Soo Wong): Okay, Mr. Mole, thank you very much for your presentation. Please submit anything in writing to the Clerk by this Friday, 5 p.m. Thank you.

ONTARIO GRADUATE STUDENTS' ALLIANCE

The Chair (Ms. Soo Wong): Our next presenter is the Ontario Graduate Students' Alliance. Good afternoon. Now, we have three names here. I'm going to let you introduce yourselves once you take off your jackets. You have 10 minutes for your presentation followed by five minutes of questioning. This round of questioning is from the third party. You may begin anytime. Please identify

yourselves and your positions with the Ontario Graduate Students' Alliance. Thank you.

Mr. Michael Makahnouk: My name is Michael Makahnouk. I'm the president of the OGSA and I'm a PhD student at the University of Waterloo.

Ms. Frances Lasowski: My name is Frances Lasowski and I'm the secretary for the OGSA. I'm doing my PhD at McMaster University.

Mr. Michael Makahnouk: Robert is also on your list. He's actually got a concussion and apologizes for his regrets. He's with the doctors today.

You're receiving our proposal right now and we can give some high-level information about it. Where we're coming from, we see an opportunity for students to benefit from a refundable tax credit for technology purchases in Ontario.

I guess the main question would be, how did we come to the route of a tax credit versus an upfront grant? We don't see an opportunity for a tuition grant at this point in time with the fact that, really, that program is primarily focused on undergraduate students in Ontario. We see value in the fact that we actually use so much technology for our research and innovation in this province to see that we get a credit at the back end based on our expenditures for that technology that we use.

I mean, the best example would be a laptop. There is a broad price range with respect to what constitutes a good laptop, but, really, to run computer simulations or numerical models you need something upwards of \$2,000. If a student is not lucky to be with a researcher or professor who has money in their operating grants to fund those types of expenditures, those are out of student pockets.

So that's where we're at in our proposal. We are looking for upwards of a 25% tax credit based on a maximum \$4,000 expenditure. We're using that as sort of an opportunity to start discussion. We definitely acknowledge that Ontario's tuition is the highest in the country, not just the highest in the province—well, obviously the highest in the province. Students are paying the highest tuition in the country. Graduate students pay tuition three times annually, so those costs add up.

At the same time I'd like to turn it over to my colleague to add anything that I might have missed.

Ms. Frances Lasowski: I just wanted to reiterate that it really is imperative for us to do our research, and that actually spans any discipline that the graduate students are in, from the humanities to science to engineering, that all of us do use various levels of technology. To have some way to recoup some of that cost back would certainly enable us to buy better equipment, better software, and hopefully get us out sooner and into the real world, as it were.

Mr. Michael Makahnouk: A closing remark, I guess, from our perspective before we answer questions: We see an opportunity for this proposal to be worked on from the government of Ontario, maybe concurrently with the federal government of Canada. We know that the

government of Canada does like tax credits, and we see this as a definite political opportunity for this proposal.

The Chair (Ms. Soo Wong): Thank you very much for the presentation.

Ms. Forster or Mr. Gates, who wants to begin? Mr. Gates?

Mr. Wayne Gates: Sure, I'll start. First of all, I want to say that I have a 17-year-old daughter at home who has been working really hard on her exams this week so she gets her marks so she can go to university and post-secondary education. So I have a lot of concerns particularly around cost and what's going on.

But some of the things that have come up lately—and it was just in December, quite frankly. The Ontario association is saying that food banks report that students are among the fastest-growing group who are using emergency food banks. Can you comment on how food and security issues are affecting students?

Mr. Michael Makahnouk: I'll do my best. Obviously I'm not an expert in that area, but I would say, from my perspective as being a student in Ontario, to eat on campus at a university, the costs are definitely inflated compared to going off-campus. Obviously, from what I see, the students are really looking at value, and they go to fast food. I think the concern with that is not only the fact that people are going to food banks to receive food to survive, but at the same time there's a nutritional perspective there. I think that there is an underlying problem. It's definitely something that our organization hasn't looked at yet, but I would say that costs are high. The American dollar going the way it is doesn't help this problem either.

Mr. Wayne Gates: You're good?

Ms. Frances Lasowski: I know at McMaster we just re-evaluated how the graduate students are paid. I think it's something that not everybody understands, the way graduate students are now paid at McMaster. When the change came in, some students will make under \$200 a month after tuition comes out. In order to be able to sustain yourself on that, it's obviously quite challenging. If you're not fortunate enough to be able to live either with a partner or with parents or something like that—we don't necessarily have access to some of the same grants that we had access to as undergrads, because of our age, because of our technical income levels and stuff like that. If you're not able to save money and if you're not able to have some help from family, it can be really, really difficult.

Mr. Wayne Gates: Thank you. Do you have any sense, in talking to students around campus, how desperate they are for work experience and what they end up taking as unpaid work after they graduate? What do you think the government should do to stop that?

Mr. Michael Makahnouk: I know that our colleagues at the Ontario Undergraduate Student Alliance are working on that. I think a lot of these unpaid internships are focused on the undergraduate level.

We can look at graduate studies in Ontario. We work for a pittance because we see value out of the education

we're getting post-university. You could argue that graduate students are being paid slightly but are almost working as interns in the same sort of context. I think right now it's just a culture of, "This is how things are done," and we just do our best to navigate through the checkboxes to get our degrees.

Mr. Wayne Gates: Okay. Obviously, you probably feel like I do: that if you perform work you should be paid for it.

Mr. Michael Makahnouk: I would agree with that; absolutely.

Mr. Wayne Gates: I think one that is a concern to probably everybody, no matter what party you're with, is debt level. When you finish post-secondary education in the province of Ontario, you haven't got a job yet and in some cases you're actually working for free, and meanwhile you've got a mortgage to pay for your education. I'd like to hear how you feel about that, on affordable post-secondary education.

Mr. Michael Makahnouk: It's interesting. I come from northern Ontario—I'm very proud of that—but I was raised old-school: "You're 18; get out and figure out how you're going to pay for it." That's honest to God. So I've had to work hard. I've had to work in a sawmill. I'm lucky that I was able to have a job that paid overtime, but the economy has changed. A lot of good, hard-working, blue-collar jobs just aren't available to students.

I think that, partially, too, there's an argument that students might take less money in employment to get more job experience related to their disciplines. I know that that is an option too.

I think, really, with tuition being the highest in the country, students definitely are graduating with the highest levels of debt probably ever if you're funding yourself, as myself as an example. Further to that point—I'm just collecting my thoughts.

The Chair (Ms. Soo Wong): Ms. Forster, would you like the last question, for a minute?

Ms. Cindy Forster: Yes.

Mr. Michael Makahnouk: It's an issue.

Ms. Cindy Forster: I want to go back to your tax credit proposal. Your tuition is kind of waived in your graduate studies and then you earn a couple of hundred bucks a month. That's what I heard.

1410

Mr. Michael Makahnouk: There are no tuition waivers because, based on the funding formula, the universities of Ontario have to charge tuition to get grants. There is a stipend. It's highly variable. There's no minimum guarantee for graduate students in Ontario. It basically comes down to what your individual supervisor is willing to give you or can give you. From there, your tuition is then paid for.

Ms. Cindy Forster: Right, and some students get none. Do you have the ability, with the hours that you're at the university, to work outside there, so you would actually get a tax benefit by getting a tax credit for a \$2,000 computer?

Mr. Michael Makahnouk: Yes, you may.

Ms. Frances Lasowski: That also varies depending on the supervisor, also depending on the master's and PhD level. I think it's a little more pronounced at the PhD level because you're signing on for four to six years of doing this after the master's, but some professors will not allow you to work outside. We have to get approval, and if you are fortunate enough to get an external scholarship, either through NSERC or OGS, there are stipulations on where you can work. Oftentimes, we are expected to TA to actually secure some of that necessary money. That TA is factored into our total dollar amount, but that ends up actually amounting to the hours that we're allocated to work with some of these scholarships and within these labs.

The Chair (Ms. Soo Wong): Okay, thank you very much, Michael.

Mr. Michael Makahnouk: Can I quickly—I know you're going to cut us off. I'm concerned about these external barriers placed by funding agencies that say that students can't work. To me, it's an infringement on human rights. I think if somebody wants to work 80 hours to survive, that's their God-given right. I'd like to encourage the government to look at that.

The Chair (Ms. Soo Wong): Thank you, Michael and Frances, for coming.

APPRENTICELMS LTD.

The Chair (Ms. Soo Wong): The next group before us is apprenticeLMS Ltd. I believe the presenter is here. Is it Hamalainen?

Mr. Erik Hamalainen: Hi. Erik Hamalainen. How are you?

The Chair (Ms. Soo Wong): Thank you. Welcome. Good afternoon. Sir, you have 10 minutes for your presentation, followed by five minutes of questioning from the members of the committee. This round of questions will be from the government side. Please identify yourself, your organization and your position. You may begin at any time.

Mr. Erik Hamalainen: Does everybody have a copy in front of them? I'm Erik Hamalainen. I'm the president of apprenticeLMS and we're here to talk about creating jobs for Ontario. I think the group just ahead of me, the Ontario Graduate Students' Alliance, would be a perfect group to take on some of these jobs that we're trying to create here.

This presentation consists of a letter—I want to move through this—and there are quite a few slides that we can take a look at. This letter is from IT companies that represent, hire and train network, hardware and technical support personnel.

The demand for workers in this industry has outpaced the capacity. Many of the companies I'm working with today are actually hiring temporary foreign workers to fill these roles. That's a shame, because we have workers here in Canada who can fill these roles.

We have a solution to this issue, and at the same time we can create over 50,000 jobs for Ontario. These are

good-paying jobs. They pay between \$40,000 and \$100,000 a year.

The IT trades apprenticeship program provides training that leads to full-time permanent employment and demand. It covers three different trades, including technical support, network technician and hardware technician. The entry-level trade and basis for the entire industry is tech support. It's an entry-level job. It is currently not covered by the Apprenticeship Training Tax Credit.

Apprentices who graduate from the two-year technical program are most likely to fill the demand for jobs in network and hardware trades. These jobs are the backbone of the Canadian technology industry and make us competitive on a global scale.

We are recommending the Apprenticeship Training Tax Credit be applied to the IT trades as follows: trade code 634A, IT technical support agent, maximum duration 24 months; it's a two-year program. But the employer would only be eligible to collect this credit after the apprentice has completed level 1 exams, not prior to.

The tax credit only covers a portion of the overall training investment by the company, and without it, the jobs will simply disappear into the United States, where there's ample very cheap labour currently today. So we're asking for your assistance to approve the above recommendation to create jobs here in Ontario.

I'm going to flip to the actual presentation slides; the first page is a cover. The importance of IT in Ontario—it's labelled page 2: Every aspect of our lives today includes technology. We're all carrying these devices. I see laptops; I see all sorts of technology in this room here today.

Off-shoring of IT: Is it really cost savings or a security threat? Your personal data and confidential information are on your phone, in your laptop, in the cloud. Is the cloud safe? Where do you want the cloud to be? Do you want the cloud to be in Toronto or do you want the cloud to be in Washington, DC? We've all read stories about the NSA. We're encouraging Ontario server storage, Ontario network support, Ontario hardware support and Ontario tech support, but we've got to train the workers.

The IT trades program in Ontario—page 3 consists of how it's broken down. There's a two-year entry level program called tech support, code 634A. This leads to the more advanced jobs in hardware and network technician roles. Some of them go into cabling, which is another trade.

Wages: Currently in the GTA, entry-level first-year wages are over \$40,000 a year. The demand has driven the wages up. A network technician apprentice averages \$50,000 a year, and a journeyperson, once they graduate from the four-year program, averages \$73,000, but in the GTA today, companies are bidding as high as \$100,000 a year to get a qualified worker. There is definitely a demand for these high-paying jobs.

Again, advancement in these trades: 634A is the prerequisite for B and C. You've got to know the techie stuff

before you can work into networks, servers or hardware. Make sense? I hope so.

Currently, 634A is not eligible for the Apprenticeship Training Tax Credit. Again, our recommendation—on the next slide—is to approve trade 634A for the tax credit at the end of March 2015. We're putting some restrictions on here, because we don't want companies to get tax credits for not doing the training. You need to do the training, hire the workers, create the jobs, do your payroll, and then at the end of the year, after you've proven all this stuff, the government is going to give you a tax credit, unlike how the program is run today, where you can get a credit upfront just for registering. We want to put some teeth and some rules in the program to make it effective for all taxpayers.

I want to talk a little bit about completions. I've been involved with this trade since 2005. I had 2,400 of my own employees in this program at one time. Today, I run a company that provides online distance learning to colleges and companies. Our completion rate for 634A is over 75%. Wow. Why? We force the sponsors to have a contractual obligation to the training. They can't just sign up and get a tax credit; they have to do the work. We create a culture of training and development in the workplace. Performance and progression data is available in real time to ministry personnel if they want to check on the sponsor doing the work. The tools are there to make this effective and to measure it and monitor it.

I have a few examples. Here's one in the Toronto Star. I think we've all heard of this paper and we trust their words. "... IT and Skilled Trades Are the Canadian Jobs of the Future," according to the Toronto Star, January 2015. "The jobs of the future are likely to be in ... computer technology and the skilled trades, experts say, given an aging population, growing global demand for resources, and Canadians' love affair with electronic gadgets." That's per the Toronto Star.

The Toronto Star again: This is from the CEO of the Bagg Group, which is a leading Toronto-based staffing agency: "The trick is finding qualified candidates that meet employers' criteria...." This is why the wages have been driven up in size to \$100,000 a year. "'It is hard to find people, across the board, we find it challenging to find good people. It's one of the most difficult things to explain. You keep hearing everybody's out of work. And then you talk to companies and they say they can't find'" good people. Wow. "'There's obviously a bit of a gap between what the market is demanding and what the labour pool is providing,'" according to the Toronto Star and Mr. Bagg.

The Waterloo Region Record: They talk about Silicon Valley of the north. According to the Information and Communications Technology Council, "A recent study from the council indicates Canada is facing an 'alarming' shortage of information and communications technology labour over the next five years." In Ontario alone—just Ontario—we're going to need 51,000 workers in these trades. We're not trying to create a handful of jobs.

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If we flip over to the next slide on IT demand—I personally work with over 50 IT companies, all in Ontario, from Timmins to Sault Ste. Marie to Sudbury to Ottawa to Cornwall to Brockville to Windsor, London and, of course, Toronto. I work in all regions. The feedback I have is that they all require trained personnel to grow their workforce. Some are currently hiring, again, temporary foreign workers. Let's train people here, a basic Internet search of indeed.ca—and I did this just the other day while preparing this—has 1,482 open jobs today, a snapshot of a single day. We could put 1,400 people into jobs paying more than \$40,000 a year today, right now, if we had trained workers. But instead, they're looking for TFWs and trying to make it happen somehow.

In Ontario alone, 51,000 jobs will be needed to fill the jobs in the next five years, according to the Waterloo Region Record. The information technology skill shortage requires training and investment. Let's change the labour shortage and start creating these jobs here. I don't want my network servers being maintained in the United States. I don't want the NSA having access to our information. It's not right. We can do it at home, here.

There are some examples of these trades and the type of people who are involved with them.

The next slide is just an overview of the network technician and, according to Service Canada, the occupational titles that could fit into that trade.

The following page is examples of hardware technician occupational titles as per Service Canada, and the type—

The Chair (Ms. Soo Wong): Mr. Hamalainen, can you wrap up your presentation? You're at 10 minutes.

Mr. Erik Hamalainen: Yes. We're right at the end. Thank you.

The Chair (Ms. Soo Wong): That would be great. Thank you.

Mr. Erik Hamalainen: Again, Service Canada talks about career advancement. In large companies, user support technicians serve as the gateway to computer-related occupations. These entry-level roles build to more advanced roles. You work from the bottom up.

Again, we've proven we have a way to make completions happen through progress report analysis, putting a tax credit after the fact so you have to do the work before you get the money. We can manage this. We've managed this to a 75% completion rate over the last five years. We can do this. We can have these jobs happen here.

The last slide is our recommendation, again, and we're asking for trade 634A to be included in the Apprenticeship Training Tax Credit, but with restrictions. There may be more restrictions than we've laid out, but the ones we laid out will work.

The Chair (Ms. Soo Wong): Thank you very much. Mr. Baker, do you want to begin the questioning?

Mr. Yvan Baker: Thanks very much for coming in today and talking about the issue of making sure that particularly our young people, but people of all ages,

have the skills necessary to be prepared for the workforce, as it is a truly important one.

What I'd like to ask you is to take a step back. I don't know how knowledgeable you are about the ATTC. It sounds like you're pretty knowledgeable.

Mr. Erik Hamalainen: I've been living it for the last decade.

Mr. Yvan Baker: Perfect. Can you share with us what types of training are covered by the ATTC, just so we have a sense of the scope of what it covers?

Mr. Erik Hamalainen: The ATTC covers 156 different apprenticeships. I work with three technology trades, and those are networks, hardware, and tech support. This is everything to do from your data storage, network security, fixing your computer, setting up an office with new equipment—these are the types of jobs, mostly medium and small businesses. I have a client with two apprentices who could grow to four tomorrow, if they could find them. I have a client with 1,300 people, who, again, could grow—they're continually trying to hire and not finding people.

Mr. Yvan Baker: That's helpful. These 156 programs—has the ATTC, in your view, been beneficial for the purposes of making sure that businesses have the support they need to make sure that people have the skills they need and can ultimately be employed and succeed in their careers?

Mr. Erik Hamalainen: This program is extremely successful when used and monitored properly. We have a company in Toronto right now that has 25 employees. They desperately need to grow to 100 people in the next few months. They can't hire them right out of school, so we're using this on-the-job training to get our employee base from 25 to 100 so that they can do the work.

So as the students were saying before, they're coming out of college and they're not having a job, because they don't have the hands-on training, where apprenticeship gives you the hands-on training. You can work for an IT company, and you can learn as you're working and earning money, not creating student loan debt.

It's a perfect solution to the dilemma we're in today. It reduces student loan debt. It helps companies. It helps people get into an entry-level job that leads to a job that pays six figures.

This is going to be the future of Canada. We're not going to be manufacturing and competing with the southern United States in some manufacturing—glassware. We're going to be doing the high-tech work, and that's where our future lies here.

Mr. Yvan Baker: Thank you. IT trade 634A, this particular program—those folks who have it now, how would they obtain it?

Mr. Erik Hamalainen: How do they obtain it?

Mr. Yvan Baker: Today.

Mr. Erik Hamalainen: Well, on-the-job training is 90% of any apprenticeship, so it's learning through certified workers ahead of you in the workplace.

There is also an in-school component. The IT trades rely heavily on distance learning. I actually provide soft-

ware to colleges and businesses that use the distance learning software. It's very successful. It has a very high rate of completion. Again, when you work with companies that are contractually obligated to do the training, we have a very high completion rate.

Mr. Yvan Baker: Okay. Do you have a sense, if this was included under the ATTC—634A, as you have proposed—how much this would cost, more or less?

Mr. Erik Hamalainen: Well, I don't think it's going to be a cost, actually. What's going to happen here is, we're going to have companies hiring and training internally and advancing people. So when you hire somebody at \$40,000 or \$50,000 a year, and they start paying taxes and they're spending that money in the community, there's a multiplier effect. If you have a three-and-a-half times multiplier effect, we may have given that company a tax credit of \$10,000, and the employee spent \$150,000 in the community when you have their money spent multiple times over. So there is no cost to this.

The Chair (Ms. Soo Wong): Okay. I believe the last question is from Ms. Hoggarth, if you want to ask a question—one minute.

Ms. Ann Hoggarth: I'm a little confused here, because my notes say that your organization does qualify for the ATTC.

Mr. Erik Hamalainen: The hardware network trades definitely qualify for the ATTC. One trade, the entry level trade, doesn't qualify, but the two advanced trades do qualify. So it would make sense to have the entry level trade qualify also because it's what feeds all the jobs into the more advanced.

Ms. Ann Hoggarth: So that's what you're looking for. Thank you.

Mr. Erik Hamalainen: That's all we're asking for, a very minor change in the tax code.

The Chair (Ms. Soo Wong): Okay. Thank you very much for your presentation, and thank you for your written submission as well, sir.

Mr. Erik Hamalainen: Thank you for having me.

ONTARIO LUNG ASSOCIATION

The Chair (Ms. Soo Wong): All right. The next presenter is the Ontario Lung Association. There are some changes, folks. Change is what we're known for in this group. I believe it is Bev Black—am I correct?—as well as George Habib, the president and chief executive officer from the Ontario Lung Association. Welcome. You have 10 minutes for your presentation, followed by five minutes of questioning. This round of questioning will be from the official opposition party. You may begin at any time. Please identify yourself for the purposes of Hansard. Thank you.

Mr. George Habib: Great. Thanks very much, Madam Chair, Mr. Vice-Chair, committee members and Clerk. I'm pleased to be joined by Bev Black, who is a St. Catharines resident, and who actually lives each day with chronic obstructive pulmonary disease no differently than over 870,000 Ontarians live with. We just thought

the best way is for you to hear from somebody who lives with lung disease every single day. So, Bev, I'll turn it over to you.

Ms. Bev Black: Thank you, George. Hi, everybody. I was diagnosed with COPD in 2002, and on January 6, 2009, I woke up and I had great difficulty breathing. I ended up in the hospital for seven and a half weeks. I was placed on life support twice. I went down to 71 pounds. It was quite a ride; it really, truly was. However, I wasn't going to let COPD define me. I wanted to live my life as comfortably as I could.

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I went to a program. I saw in the newspaper, the St. Catharines Standard, an article on maintaining one's health at the St. Catharines general hospital. I took it to my doctor. They knew nothing about the program. They said they needed to investigate it and let me know.

I had the good pleasure of going to that program. It was six weeks. It's called "maintenance for lung health issues." It was amazing, the things we could do. We did warm-ups, we did cardio, we did weights, and we did cool-downs. We talked about diet and sleep habits. We learned so much. That only enhances our life. It doesn't cure anything, but it helps you maintain.

My lung capacity is 19%. It's a very low number. But I'm proud to say that for the past two years, I've maintained the 19%.

When my doctor told me a couple of years ago that I might have to go on oxygen—no way. I went into a gym and approached a gentleman and the Zoom-Airs were born. I am the lung health ambassador for St. Catharines. However, at the Zoom-Airs, we have from Welland, we have from Port Colborne, we have from Grimsby and we have from Niagara Falls. We're quite a good group, and we're all people with the same illness who support each other. The camaraderie motivates us.

It's \$500, \$600 a year out of our pocket. It's not tax-deductible, and we don't care. It's something that we do to maintain our health.

To me, it's not rocket science. If we are going to be continually hospitalized—which I was again, for seven days in 2012—that amount of money that it costs our health care is oranges and apples. It just does not compute. It's not rocket science to us. If we can maintain our level of life as what we know, then we're not going to get worse. We're not going to end up in a hospital and costing taxpayers thousands of dollars. It just makes sense.

Thank you.

Mr. George Habib: Thanks very much, Bev. That's a great story. Bev so aptly represents her group, and it's a support group.

By the way, just as an aside, the Lung Association has started a support group network across the province for people living with, generally, lung disease, but most of the individuals who are members of it have chronic obstructive pulmonary disease, which is, for those of you who may be more familiar with emphysema or chronic bronchitis, those two lung diseases.

Unfortunately, Bev's diagnosis with chronic obstructive pulmonary disease is growing, and growing predominantly in women. To give you an idea on that, we did a study, which is in your package, called Your Lungs, Your Life in 2011. When we came out with the stats on chronic obstructive pulmonary disease, it was 770,000 Ontarians living with it. That's as big as, or bigger than, the city of Mississauga, which I live in. It just gives you an idea. And it's growing, so more recently, we've updated the data. It's now over 877,000 Ontarians living with chronic obstructive pulmonary disease, and that's one disease, for those of you who may be familiar with it.

I think we all may know or realize that somebody is living with lung disease. I know some of you—we've met before, and you've told us your personal stories. But many others, you either know a child with asthma or somebody living with COPD or somebody having lung cancer or maybe cystic fibrosis or whatever. Those are all considered part of it. It's unfortunate, because one in five Ontarians—2.4 million Ontarians—live with lung disease.

We don't have a comprehensive policy approach to dealing with lung disease in the province. It's unfortunate. We do some things extremely well in pockets, but we don't have a comprehensive look at it or a view of dealing with it.

In many instances, people like Bev tell us stories that the hospital systems may have had an exercise group or may have had pulmonary rehabilitation as a part of them, but because of budgets and no focus on lung disease, those budgets have been cut, and people like Bev have been out in the cold to survive, themselves or with help—

Ms. Bev Black: Yes, there's nowhere to go.

Mr. George Habib: —with organizations like the Lung Association. They were very fortunate in that they had a local gym with a couple of owners who said, "Yes, come on in," because—well, first of all, nobody says no to Bev; she's so compelling. But secondly, the owners realized that these people who are looking to maintain their health and stay out of the hospital system are looking to be able to improve their health, and not just to maintain their health. They want to be productive again. They want to be able to volunteer. They want to be able to go back to their jobs. They want to add to the Ontario economy and add value, or to be able to care for their grandchildren or children as they need to in lieu of day-care and those kinds of things, so it's a very compelling story here. On their behalf, we're submitting the 2015 pre-budget submission which is in your package.

There are a few numbers I should tell you about. In our recent health and economic report that we published, it was estimated that lung disease cost the Ontario economy in 2011 \$4 billion. Since then, that figure has grown to more than \$27 billion for 2015, and it will continue to rise to more than \$76 billion six short years from now. What you're seeing is a tsunami that is hitting us, but there are solutions, and this is really what we want to get at, solutions that will bring savings to the economy

and a better quality of life for those people living with lung disease such as Bev.

To that end, the Lung Association, when we started on this journey to advocate for individuals living with lung disease in Ontario, felt that we needed to reach out to those who have a vested interest in lung health. So what we have done is create the Ontario Lung Health Alliance. It encompasses more than 40 organizations. To include the big ones: the Ontario Medical Association, pharmacists, nurses and many organizations that are a part of it—including CAMH, by the way. We formed that to create one voice for lung health in this province. We didn't want everybody coming at you with different voices and so on, so we are all aligned around the need for an Ontario lung health action plan.

To that end, because we've been at this for a while in terms of coming forward—I've been with the Lung Association a little over seven years, and that could be, in your terminology, four elections, I would think—we've been trying to advocate in the same way, but trying to tell the story a little bit differently. On November 19—that was Lung Month in Ontario and Lung Month right across the country—MPP Kathryn McGarry added legislative weight to this campaign when she tabled a private member's bill, the Lung Health Act, in 2014.

Applause.

Mr. George Habib: Thank you, and thank you for your support of that, because it passed second reading and the bill was debated. It proposes a couple of things: first of all, establishing a lung health advisory council to make recommendations to the Minister of Health and Long-Term Care, and requiring the minister to develop and implement an Ontario lung health action plan to address research, prevention, diagnosis and treatment.

Much of the work has already been done, ladies and gentlemen, because we couldn't wait. It's in your package, if you have your package, on the left-hand side. It's this blue document. It is the outline, and it has had hundreds of individuals' input, including the government's, into the outline of the Ontario lung health action plan. We as the Lung Association and members of the lung health alliance felt that we needed to carry on doing the work while we're trying to convince you to invest in this, so we've done that—

The Chair (Ms. Soo Wong): Mr. Habib, can you wrap up your presentation?

Mr. George Habib: I can.

The Chair (Ms. Soo Wong): Thank you.

Mr. George Habib: Thank you, Madam Chair.

What we simply want to do as a part of this submission is to add something called certified respiratory educators to the system. They would act like nurse navigators, but would be trained in lung health, and that's a couple hundred of them. Together with that, we want to be able to put in some of the interventions that work, which are outlined in the material, to include spirometry, things like pulmonary rehabilitation and comprehensive smoking cessation.

For the investment of approximately \$21 million a year over the next four years, that investment will come back to us many times over, and we think that investing a dollar now will save billions of dollars down the road in terms of that.

That's really what we're advocating for, and we'll be happy to address any questions, Madam Chair.

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The Chair (Ms. Soo Wong): Thank you very much. Mr. Arnott, you may begin the questioning.

Mr. Ted Arnott: Thank you for your presentation. It was very interesting. We really appreciate, Bev, your being here, too, to give us your personal experience of what it's like. That's very helpful.

Ms. Bev Black: Thank you. I have a granddaughter. My daughter was eight months pregnant when I was hospitalized in 2009, and I got to meet her. She's going to be six in March, and she has asthma, so it's a double whammy for me because I want to help the Niagara region get better.

Mr. George Habib: One in five children has asthma, and it's growing, unfortunately.

Mr. Ted Arnott: I wanted to speak to your recommendations as well. You recommend an increase in the tobacco tax. I want you to know that there are many of us in the Legislature who have supported efforts in the past to reduce tobacco use, especially amongst young people. I think that there's a consensus amongst all three parties, amongst many of the members, that more has to be done.

It's also true that as tobacco taxes have gone up, there have been times when it seems to provide a boost to the illegal sale of tobacco. You didn't address that issue. Do you want to comment on that? Do you have any specific recommendations for dealing with the illegal sale of tobacco?

Mr. George Habib: No specific recommendations for dealing with the contraband issue. We know that, of the young people who are smoking, half of them are getting contraband tobacco already. The tobacco tax was suggested, actually, in the last budget, so we're delighted that there was a small increase, but it wasn't as big as we would have recommended.

Secondly, there's no research that indicates that there would be growth in the contraband issue at this stage in the game. The Ontario Tobacco Research Unit is actually doing research on that. We'll have their report shortly, so hopefully we'll get that detail back to actually settle that issue once and for all. But generally we have not found that that has been the case overall.

Mr. Ted Arnott: Certainly our caucus has felt, for years, that the government should be doing more to discourage contraband tobacco and the illegal sale of tobacco.

Mr. George Habib: Absolutely. The other thing is, we're trying to find a way to pay for this investment. There's an easy way of paying for it: by increasing taxes. It certainly brings in far more revenue than the \$21 million or \$25 million a year that we're asking for over the next four years.

I will say, on that front, too, that we're not looking to create new infrastructure. We're not looking to create new overheads or anything. This is direct program delivery right into the system, and it can align to already existing family health teams, CCACs and so on and so forth. The certified respiratory educators can actually be trained and so on. We do all of the training for them, but they can be existing positions or net new positions to navigate newly diagnosed patients in the system.

Mr. Ted Arnott: I do recall the debate on Bill 41 in the Legislature in the fall, where we discussed the need for the lung health advisory council. You've asked for \$4.7 million, assuming that that council could be set up. What would that money be used for? How would you spend the \$4.7 million if you had it?

Mr. George Habib: Essentially, a couple of ways: Most of it is implementing the four interventions that are in the report itself, with only about half a million dollars to support the work of the council. That's the way we've taken it. It really is program delivery while we're developing the lung health action plan because, with that particular investment, we can get started with programs like Bev is enrolled in. We can get started in terms of moving spirometry along, doing the education and training required for the health system, working with the LHINs and the family health teams and so on.

We are doing pockets of this. There are programs that have been fully researched in-market or have been done, and our experts recommend these four interventions that will give you the immediate lift that we're recommending. Most of it will be program delivery.

The Chair (Ms. Soo Wong): Thank you very much for your presentation. Sir, you just showed us a chart. I'm just looking through our package, and I can't locate it. Can you leave that—

Mr. George Habib: Was the lung health action plan—

Interjection.

Mr. George Habib: Oh, it was not? We'll send copies around, Madam Chair. I will leave you this copy, but we will make sure that you get copies of this.

The Chair (Ms. Soo Wong): Okay, you can send it to us electronically.

Mr. George Habib: Absolutely. We'd be delighted to do that.

The Chair (Ms. Soo Wong): Thank you very much for your presentation and for being here today.

Mr. George Habib: Madam Chair, I'd be remiss if I didn't say that if you can't breathe, nothing else matters. That's the Lung Association motto, for those of you who enjoy breathing.

The Chair (Ms. Soo Wong): Thank you very much for your good work.

KRISTEN FRENCH CHILD ADVOCACY CENTRE NIAGARA

The Chair (Ms. Soo Wong): The last presentation for today, ladies and gentlemen, is the Kristen French Child

Advocacy Centre Niagara. I believe it's Janet Handy, the executive director. Welcome. You have 10 minutes for your presentation, followed by five minutes of questioning from the committee members. This round of questions is from the third party. You may begin any time. Thank you.

Ms. Janet Handy: Madam Chair and committee members, thank you so much for the opportunity to speak on behalf of the funding needs of the Kristen French Child Advocacy Centre Niagara.

We now recognize that child advocacy centres constitute the leading practice in child abuse investigation in Canada and the United States when responding to the developmental needs of the youngest and most vulnerable victims of crime. The child-friendly, trauma-informed practice ensures that children and their families receive the best response to the experience of abuse that we can provide, through coordinated service delivery.

In 2014, we renamed the child advocacy centre the Kristen French Child Advocacy Centre Niagara. Child abuse experiences range from incidents that require parents and caregivers to improve their parenting skills, to the experience Kristen had of extreme violence and degradation. In order to understand the true nature and scope of child abuse, we felt it was important to acknowledge all forms of child abuse, including the most horrendous. It also acknowledges the work the French family did to help set up the centre, and honours Kristen's courage in the face of her experience. Adding Kristen's name to our centre reminds us all that there are real people behind the many untold stories of child and youth maltreatment, and that the centre investigators work hard to prevent such extreme tragedies from happening again. It is our hope that the renaming of the centre will bring home to the Niagara region a clear understanding of what the centre is concerned about and works toward every day, and that is quality investigation of child abuse that balances seeking justice with the child's well-being.

New surveys estimate that one in three Canadians have suffered some form of child abuse. Before the centre existed, children would, on average, have to retell their experience up to seven times. This process, not understanding of trauma or its manifestations over time, would intimidate young victims, create the possibility of recanted testimony due to adult pressure, and re-traumatize children as they relived their experience in the re-telling.

Now these young victims are interviewed once, in a child-friendly environment with trauma- and crisis-informed professionals. The centre seeks to reduce the trauma of the investigation experience by minimizing the impact on the young victims and their families through faster and streamlined investigative processes, increased support and therapeutic responses, and long-term support and follow-up for the child victim and their family.

As a unique collaboration of service delivery to young victims, there is no duplication of service in Niagara, with professionals travelling to meet the child and their

non-offending family members at the centre. Once at the centre, the family advocate provides critical care to the children and their families by helping them navigate the investigation and the complexity of the investigation process, and by providing links to ongoing support.

Working together with the Niagara Regional Police Service, Family and Children's Services Niagara, Family Counselling Centre Niagara, Niagara Health System, the child abuse and assessment program at McMaster, and the office of the crown attorney, we're able to provide a service that more effectively addresses the needs of Niagara's children, without jeopardizing the requirements of an effective investigation.

For far too long, victims of child abuse, and their families, have had to navigate a system that has been designed to facilitate the successful prosecution of offenders. The centre's leading practice now balances this focus with the immediate and ongoing mental health needs of victims. The capacity to address cross-multidisciplinary case issues that take place in the real timeline of investigations—because investigative teams and disciplines are in communication from the outset—now increases our chances to address the trauma earlier, make sure the system of investigation does not cause further trauma, and allows investigators to benefit from working jointly at the same time on issues of protection and gathering of evidence while attending to the mental health needs of children and their families.

With the existence of CACs, children, youth and families are given an immediate and comprehensive response to the serious crime of child abuse. Niagara's children and youth and their families experience confidential and caring treatment of the highest quality through the Kristen French Child Advocacy Centre Niagara. The centre also supports the rights of all children, and complements the Niagara Children's Charter.

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It is proven that when community partners and community services collaborate, innovative, successfully and mutually beneficial partnerships are developed where all parties are invested in ensuring that abused children and their families have a coordinated and improved experience when disclosing abuse.

Kristen French CACN services are victim-centred. Child abuse is a crime that leaves scars that can last a lifetime. However, through our various community, education and awareness programs, Kristen French CACN also strives to open the discussion on child abuse and to create conversations throughout the Niagara region about child abuse, which empowers us all to take action. In recognizing the ripple effect of child abuse on our communities, we create an opportunity to understand that collectively we're responsible for stopping child abuse.

When comparing communities that have CAC services versus those that do not, the Department of Justice has noted the following outcomes from those communities:

- communities with CACs use more coordinated and collaborative investigations that include more multi-

disciplinary team interviews, recorded interviews and joint investigations;

- children who receive services from CACs are more likely to be interviewed in a child-friendly facility, they are more likely to receive a forensic medical examination, and they are more likely to be referred to mental health services than if they're not in a centre that is co-ordinated;

- parents whose children receive services from CACs are generally satisfied with the services received and more satisfied with the investigation process and the interview process; and

- children who attend CACs are generally satisfied with the investigation experience and are more likely to state that they were not scared during the forensic interview.

All of this translates into better prevention and mitigation of long-term impacts and more hope for future social relationships than if trauma were to go untreated. The benefits for communities as a whole in the long term are enormous.

Until recently, the Kristen French Child Advocacy Centre Niagara was the only fully operational child advocacy centre in Ontario. Recognized now as a leading practice model, there are now four, including ourselves, in Ontario that are open and operational, and another six at various stages of development. Across Canada, however, there are 12 functioning CACs and another 14 at various stages of development.

Through our community relations program at the Kristen French CAC, we have established a network of centres in Ontario. This network shares best practices and aims to speak in a unified voice as we work to achieve financial support for the CAC model in Ontario. We are developing standards and guidelines that will inform ourselves, as well as the country, on Canadian accreditation best practices, in particular for the centre's role in assisting families to navigate the investigative process and follow-up supports available to them.

The centre is currently funded through partner support grants, fundraising events and donors. Our grants are time-limited and project-specific and come from government, foundations and corporate donors, but there is no core sustainable funding.

Niagara communities have been generous supporters of the centre and are doing their part to keep the centre open. However, government grants have been time-limited from the federal justice department, and provincial funding is now needed for sustainability.

With a 2015 budget of close to \$400,000, we are asking the province to provide one quarter of that budget for the Niagara region's child advocacy centre in your 2015-16 budget as we continue to develop the Ontario network of child and advocacy centres and a sustainable presence in this province. Thank you for your time.

The Chair (Ms. Soo Wong): Thank you very much. Ms. Forster, would you like to begin the questioning?

Ms. Cindy Forster: Thanks so much for being here today. Today there has kind of been a theme of children. We had Children's Mental Health Ontario here, and your presentation leads into what we heard from them earlier today, which was, if children have mental health services accessible to them early on and consistent treatment, it can prevent lifelong mental health issues. Right?

Ms. Janet Handy: Right.

Ms. Cindy Forster: First I want to commend you for operating the children's advocacy centre on a shoestring budget. I know, from presentations that you made at the region when I was there, that it's always a struggle. It shouldn't be a program that is dependent only on donations from the community; it should be a core funding program that can sustain the needs of the kids in our community.

What kind of a budget are you looking for? We didn't quite catch your numbers.

Ms. Janet Handy: One quarter of \$400,000, so \$100,000.

Ms. Cindy Forster: It's a very small amount of money.

Ms. Janet Handy: It's a small amount, but if we could get a sustainable core to the budget—many of the things we do in terms of fundraising do not support the operational core, and that's why we're always in need.

Ms. Cindy Forster: Right. Unfortunately, victims' services budgets are being cut across the province as of April 1, 2015. In fact, I think it was Middlesex that went public earlier this year to say that they had been informed by the AG's office that their core funding was going to be reduced by 50%. So good luck, but I would urge the government to certainly have a look at this, because I know the good work that you do here and the number of children and the number of families that you've actually been able to assist over the last few years.

Ms. Janet Handy: I think what's critical is that where there is a CAC operating, evidence has shown at least a 48% cost benefit compared to communities that don't have a coordinated service. It's actually saving money to do it this way—

Ms. Cindy Forster: Right.

Ms. Janet Handy: —because the services are streamlined and the discussion that happens in real life, real-time investigation, doesn't have to spend months going back and forth between professionals because they're all on site, doing that discussion right off the bat.

Ms. Cindy Forster: And the savings that will be realized in the long term by actually having these services available at the front end—it's that huge prevention piece.

Ms. Janet Handy: We know that the faster we can respond to children's experiences, the faster they can integrate and move on.

The Chair (Ms. Soo Wong): Mr. Gates.

Mr. Wayne Gates: I just want to say that the Kristen French name has really taken on a life of its own here in Niagara and probably right across the province on what happened to that poor girl. She went to Holy Cross school—and this is more for a little bit of an education for some of the people here. She went to Holy Cross school in St. Catharines. My daughter went to Holy Cross school in St. Catharines at the exact same time, Tara-Lynn. The French family lived on Geneva Street; I lived on Geneva Street.

There are a couple of things that can happen when you lose a loved one. You can kind of just stay depressed; you can stay under a lot of stress and—

Ms. Janet Handy: And collapse.

Mr. Wayne Gates: —and collapse. Her mom did something else. Her mom decided, along with her supportive husband, to heighten awareness, not only in this community but right across the province of Ontario, so that Kristen's name will never, ever go down with the way that it did and how she died. The role of the family—and now you have a centre that's named after her.

I think I could talk about what Cindy was talking about. The theme today, actually, has been cuts, cuts, cuts, but if there is one organization that I believe the province of Ontario should be giving \$100,000 to, it's yours.

Ms. Janet Handy: Thank you.

Mr. Wayne Gates: The work that you've done over the last 25 years—I think it's 25 years now; it certainly is in that area.

If I can lend my support to what you're doing—if you have the opportunity to talk to the French family, I've always admired what they've done in the community in unbelievably tough circumstances around a daughter who they obviously loved dearly. I hope my colleagues are hearing this on both sides, all three parties, because it isn't a lot of money, but the value of the work you've been doing in heightening the awareness of what's going on is just incredible. On behalf of myself and, I'm sure, our party and everybody around here, thank you very much. Say hi to the French family for me. I'd appreciate it.

Ms. Janet Handy: Doug was just in the office this morning and he brought in a series of cheques of \$100 apiece that someone had gathered from out west from a visit he and his wife did, family members and extended families. He just keeps working away at it, and we just love him. He's really a gem.

The Chair (Ms. Soo Wong): Thank you very much, Ms. Handy, for your presentation. Thank you for your continued work to support children across Ontario.

All right, folks. We are adjourning today and we're heading to London tomorrow. Thank you.

The committee adjourned at 1459.

STANDING COMMITTEE ON FINANCE AND ECONOMIC AFFAIRS

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Mercredi 28 janvier 2015

**Standing Committee on
Finance and Economic Affairs**

Pre-budget consultations

**Comité permanent des finances
et des affaires économiques**

Consultations prébudgétaires



Chair: Soo Wong
Clerk: Katch Koch

Présidente : Soo Wong
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ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON
FINANCE AND ECONOMIC AFFAIRSCOMITÉ PERMANENT DES FINANCES
ET DES AFFAIRES ÉCONOMIQUES

Wednesday 28 January 2015

Mercredi 28 janvier 2015

The committee met at 0900 in the Hilton, London.

PRE-BUDGET CONSULTATIONS

The Chair (Ms. Soo Wong): Good morning. I'm going to begin the Standing Committee of Finance and Economic Affairs, calling the meeting to order.

AUTO21 INC.

The Chair (Ms. Soo Wong): The first witness before us this morning is Auto21 Inc.: Dr. Peter Frise. I believe everybody has his presentation. Welcome, Doctor. This morning, you have 10 minutes for your presentation, followed by five minutes of questions from the committee members. This round of questions will be from the third party.

You may begin any time. Please identify yourself and your position with Auto21 for the purposes of Hansard.

Dr. Peter Frise: Thank you very much, Chair Wong, and let me thank the entire committee for being here. It's really a pleasure and an honour to be able to address you today. My name is Peter Frise. I'm the CEO of Auto21 Inc., which operates Canada's national automotive research network, Auto21, through the federally funded Networks of Centres of Excellence Program.

Auto21 is comprised of 48 universities across the country, including virtually all—well, I would say all of the Ontario universities where research is done. We presently support about 230 professors at those 48 universities and about 430 graduate students. Every one of our projects is co-funded by an external organization, usually an industry company. Some of our projects are public interest projects related to automotive crime or labour studies and so on.

The network has been around for 14 years and we have helped to train over 2,200 graduate-level PhD and master's students in a wide range of disciplines, from medicine and nursing, occupational and physical therapy, to all facets of engineering, science, business, social sciences and humanities, including law.

Auto21, in our view, has done a fine job within the confines of an academic industry research program, but today I want to talk to you about the next steps that are needed to support Canada's auto industry and ensure that we become competitive and remain competitive in the coming decade.

The program that we have developed has been developed in consultation with industry. We call it, at this time, the Canadian Automotive Research Initiative. I want to emphasize that it is not a university-industry partnership program; this is intended to support industry directly.

This slide illustrates the key point that people need to take away. The auto industry is facing its largest innovation challenge probably ever, because average fuel economy requirements around the world are going to virtually double in the next 10 years. We're going to move from 27.3 miles per gallon, which was the average number in 2010, to about 54 miles per gallon in 2025.

Just to give you an idea of what that means, fuel economy has been edging up over the years by about 1% per year. Between 2010 and 2025, that is a 5%-per-year change—five times the normal rate of progress in fuel economy. At the same time, safety standards are ramping up, the connectivity of vehicles, and so on and so forth. The technological challenges facing the auto industry are absolutely unprecedented at this time. That's why you're seeing things like aluminum-body pickup trucks, carbon fibre, turbo-charging in electric vehicles and batteries, and all kinds of stuff like that.

The other takeaway point is that about 70% to 80% of the parts in a car are not developed by the carmakers themselves; they're developed by the parts companies, many of which operate in Canada and many of which are headquartered in Canada. My point is that while we must retain vehicle assembly capacity or we won't have an auto industry, Canada's parts firms are our best opportunity to contribute to this fuel economy race and win future business. The point is that if we do not do that, we will be dropped as a supplier. If you make seats and I make seats, and your seats are three kilograms lighter than mine, you're going to sell a lot of seats and I won't; I'll be dropped. It's not a question of taking the lower end of the market; all cars have to meet those standards, so everybody has to buck up to that standard.

Just to give you an idea of what's going on, this is the 2009 Ford Flex. This vehicle is still in production at the Ford plant in Oakville. The maple leaves represent the supplier companies which actually have operations in Canada. So there's significant Canadian-parts content in that vehicle—similarly, for the Toyota Corolla. I unfortunately don't have figures for the latest editions of these vehicles, but they would be similar.

So you can see that there's significant opportunity here for Canada to grow and retain parts business. I think it's essential that we do that to protect employment and provide a place for our young people to work.

I think the other point I wanted to make is that Canada has become essentially a high-class, high-quality commodity manufacturer. Our companies do comparatively little product development here. We've all heard the phrase "branch-plant economy" and so on, and to a good extent that is true. I think that that's okay if you're a low-cost country, but we're not a low-cost country, and to be candid with you, I don't want to live in a low-cost country. I want Canada to be prosperous, safe, healthy and successful, and that means we have to be a value-added country.

We have constructed, over the years, a tremendous knowledge-creation system in our universities and colleges. We have a highly educated, ethical, hard-working workforce; we need to put it to work. But the key task for that workforce is to develop new products so that we have something to sell on the world market.

This chart—and I recognize it's a bit of an eye chart, but if you look at the global vehicle production, in 2011 there were about 77 million vehicles built; in 2012, about 81 million vehicles built in the world. If you look at the next line, you'll see the estimated product development expenditure globally by the automotive industry was \$96.8 billion in 2011 and about \$100 billion in 2012. If you do the math on that, it calculates out to about \$1,250 per car. That's the product development expense built into a typical vehicle in the world. Obviously some are much more and some are less, but that's an average number. These numbers come, by the way, from Industry Canada, the Ontario economic development ministry and Booz Allen associates, a large international consulting firm.

If you look at similar figures for Canada, we made 2.12 million vehicles in 2011, and 2.45 million in 2012, and estimated product development expenditures in Canada of around \$425 million and \$500 million respectively during those two years. That calculates to about \$200 per vehicle. That's out by a factor of six from the global figure.

Now, let me be very clear: I do not anticipate ever that we would hit \$1,200 per vehicle. That's just not realistic for a country that doesn't have its own automakers native to the country. But given the importance of the auto industry to our economy and given the content of an average car is 70% to 80% from the parts sector, we are spending way too little on product development as a nation.

So we, through my board, have developed a program that would begin to address that issue. We have done a large industrial survey. I have copies here if anyone would be interested in reading it. The survey is anonymized—none of the companies are named—but if you stare at the data on the companies you will find very clearly companies, from the largest multinational operating around the world with revenues of \$38 billion a year,

right down to little high-tech start-ups. They all say the same thing.

So this rather busy chart really illustrates the journey that knowledge has to take from the basic research lab in the university right through to the factory floor. This is called the technology readiness level scale. It was developed by NASA in the United States when they were developing the space shuttle. Most industries in the world use the TRL scale now. TRL 1 through 3 is what universities and the NRC and so on—that's what they do, and they're really good at it. Canadian universities are top-notch, and I'm very, very proud to be a member of one and I've taught at a couple of other ones and we support all the universities in Canada very much in that area. What happens in factories is TRL 8 and 9; the gap is TRL 4 through 7. That's where companies take the science in-house and develop new products with it. They have to develop working prototypes and test them under operational conditions—

The Chair (Ms. Soo Wong): Dr. Frise, can you wrap up your presentation?

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Dr. Peter Frise: Yes, I will. Thank you.

We have developed a program that will address these issues by assisting companies directly. It's not a university program; it's a program to assist companies directly. To give you an idea of the kind of work we would propose, there's a large-format sheet in your little package that shows a project that Magna and Ford are working on—Magna, of course, being a Canadian-headquartered company. This is the sheet. This is a page from a major automotive newsletter, and it gives you a listing of the projects. I would just like to point out the last sentence in the project: "The project was funded in part by the US Department of Energy." That's what I mean about competition. We don't have a program that does that. So we have prepared an ask to government for a program that would do precisely that, and that's what I'd like to talk to you about today. Thank you.

The Chair (Ms. Soo Wong): Thank you very much. This round of questions goes to the NDP. Ms. Fife, do you want to begin the questioning?

Ms. Catherine Fife: Thank you very much, Peter, for presenting such a comprehensive package. You weren't able to get to the very gist of the presentation, so I'd like to give you that time to do so. Your ask is \$100 million—

Dr. Peter Frise: Over five years.

Ms. Catherine Fife: —over five years, leveraging similar investment from the sector.

Dr. Peter Frise: Yes.

Ms. Catherine Fife: You have some very impressive industry experts who have endorsed this project: the CVMA, the CME, the APMA, and all five automakers, so that's impressive. Are they on your board?

Dr. Peter Frise: Some of them are. I have a brochure of the letters of support here.

Ms. Catherine Fife: You've also made it clear in this original sheet, though, that we are on a five-year product cycle, so if we miss this cycle, obviously there's a delay.

I just would like for you to touch on the return on investment around product development if the government is, in fact, interested in investing in this project.

Dr. Peter Frise: The five-year product cycle is important because you have to be on every product cycle; you can't sit one out. If you're dropped from one product cycle, essentially your company is going to go out of business because you're not selling anything. You can't employ your people; you have nothing to do with your factory; you're finished. So this is not a merry-go-round you can jump off of and watch for a while.

The return on investment, in my view, would be very, very large. There was a Windsor Star article—which is also in your little package; it just appeared yesterday—pointing out what the decline in the auto industry has cost Canada over the last 10 or 15 years. Essentially, I think the figure was about \$70 billion in lost government revenue. In my estimation, the investment of \$100 million over five years is not a significant investment. I have to be honest: I'm not a person who believes \$100 million isn't a lot of money, but in relation to the value of those jobs, I think it's pretty small.

Ms. Catherine Fife: You also mentioned, Peter, that, in the plan around product development and building capacity, engaging public sector science facilities on a contract basis for R&D may be needed.

Dr. Peter Frise: Yes.

Ms. Catherine Fife: Who would determine the need?

Dr. Peter Frise: The company that would apply.

Ms. Catherine Fife: So this is a direct ask through a company.

Dr. Peter Frise: Right. These are company-driven projects. Product development is always done inside companies. If I may, one of the mistakes that Canada has made over the years is assuming that those tasks would be subrogated to the public sector, and they aren't. They just aren't. It hasn't worked.

Ms. Catherine Fife: So this is the first time you've brought this idea to finance committee; is that correct?

Dr. Peter Frise: Yes, it is.

Ms. Catherine Fife: And how long have you been developing it?

Dr. Peter Frise: I've been working on it since 2006—eight years.

Ms. Catherine Fife: It's definitely interesting. I know that the sector has been asking for a different kind of assistance versus just, one would say "corporate donations" to the auto sector. You make a compelling case around staying competitive and addressing productivity for the province of Ontario, for sure.

Dr. Peter Frise: Right. You can put all kinds of different labels on things, but I think, really, the most important words to use are "competition" and "being competitive." If something is being done in most or all of the countries with which Canada competes, and we choose to not do that thing—whatever it is—then we shouldn't be too surprised if our position starts to decline. It's just how the world works. It's not about political philosophy in my view. It's just how the world works.

Ms. Catherine Fife: Thank you. Any questions from Peggy?

The Chair (Ms. Soo Wong): One minute, Ms. Sattler.

Ms. Peggy Sattler: Okay. Just a quick question. So your initiative is a national initiative. Are you also approaching other Canadian provinces for funding of this initiative?

Dr. Peter Frise: No, we haven't, because 95% of the auto industry is in Ontario. It's really an Ontario issue in our estimation.

Ms. Peggy Sattler: Okay.

The Chair (Ms. Soo Wong): All right. Thank you very much, Doctor, for your presentation and your written submission.

Dr. Peter Frise: Thank you very much.

DR. AMY BROWN

The Chair (Ms. Soo Wong): Our next presenter is Amy Brown. Amy, please come forward. Thank you. You can sit anywhere there in front of the microphone. Good morning, and welcome. As you heard, you have 10 minutes for your presentation, followed by five minutes of questioning. This round, it will be from the government side. You may begin at any time. Please identify yourself or any organization you represent for the purpose of Hansard.

Dr. Amy Brown: Perfect. Good morning. My name is Dr. Amy Brown, and I'm a chiropractor from Cambridge, Ontario. I have been in practice for 13 years, all of those years in Cambridge. I work in a multidisciplinary setting. We have three chiropractors, three massage therapists, a naturopath, acupuncture, and a broad range of services.

In our clinic, we treat a broad range of musculoskeletal problems, focusing on neck and back pain. We see patients through WSIB, through auto insurance, as well as private paying patients. Over the span of my 13 years in practice, I've seen a number of changes in the health care system, in the delivery of health care beyond my scope and also within the delivery of chiropractic care. Not too long ago, many physicians were kind of leery of chiropractic, and over that course of time, things have drastically changed. At this point in time, all of my patients come from referrals from physicians and nurse practitioners and from existing patients as well.

When I first started in practice, OHIP covered a portion of the fees that were paid to us. This was helpful for many of our patients as they could more easily afford our services; however, there was a gap. Many of our patients couldn't access their extended health benefits until they had used up their OHIP coverage, and they were only paying \$9.65 per visit. Obviously, we had to charge above and beyond that. With the loss of OHIP coverage a number of years ago, the situation improved for those who had extended health care because they could access those benefits immediately. However, this widened the gap for those patients who did not have access to extended benefits through employers or things like that.

I'm fortunate in my region that many of our patients have access to fairly comprehensive extended health benefits plans through their employers. However, the reality is that not everyone does. With that loss in OHIP, we did widen that gap in terms of who was able to access care, including chiropractic.

There is still a large number of people who are not able to access or afford care, despite the fact that musculoskeletal complaints, including back pain, are quite pervasive. Eleven million Canadians over the age of 12 years old are affected by musculoskeletal, or MSK, complaints, and as the population ages, these numbers are expected to increase rather than decrease. Up to 80% of people experience low back pain at least once in their lifetime, and in 2012, nearly 20% of Ontarians reported that they had back problems that were not just present, but chronic. So these are affecting people on an ongoing basis.

There is a significant number of people affected by MSK injuries, and these people are also high users of our health care system. These are not people who are sitting at home dealing with their problems on their own; they're engaging with our health care system in a fairly expensive way. In 2006-07, 22% of Ontarians—that's 2.8 million people—saw a physician for an MSK-related problem. More than 83% saw their primary care physician at least once, and 33% saw a specialist. So we see escalating costs associated with those things.

Chronic low back patients are frequently referred for surgical consultations, again, which is an expensive procedure, and right now it's estimated that 90% of those patients are not surgical candidates. They are engaging with these specialists, increasing wait times, and they are often requiring advanced imaging to assess whether they are surgical candidates or not, which, again, is an incredible expense.

0920

Not only are these pervasive, but they pose a significant economic burden. MSK disorders are the leading cause of work-related lost time. They account for 40% of all lost time claims and 50% of lost time days registered with WSIB, so these are common complaints that we're seeing.

Clearly low back pain is a significant problem in Ontario, and, with an aging population, this stands to get worse rather than to improve. However, it isn't all bad news. There are conservative care options for these patients, including chiropractic, and they have great outcomes. Research, including randomized controlled trials, has found that back pain patients who received chiropractic care in conjunction with medical care, compared to those who received medical care on their own, experienced decreased pain, increased physical function and improvements in their disabilities. A recent randomized controlled trial found that among patients with acute non-specific low back pain, spinal manipulative therapy was more effective than common anti-inflammatories that are prescribed by many physicians.

On top of improved systems, patients are also very happy with the chiropractic care that they receive. Overall, patient satisfaction with chiropractic was scored at 94 on a 100-point scale in a recent study funded by the Ministry of Health and Long-Term Care in which chiropractors worked with physicians in consulting and assessing roles involved in providing care for low back pain. So these patients are happy with the way that they are being cared for, and, compared to other experiences that they're having in the health care system right now, that's a stark contrast.

Not only do these patients respond well, but the cost to the health care system is less. Research has found that for back pain patients who had access to chiropractic versus those who did not, overall back-pain-related costs were reduced by 28%. That's a significant savings. Hospitalizations were reduced by 41%, back surgeries reduced by 31% and medical imaging, including MRIs, which we know are incredibly expensive, were reduced by 37%. So we're seeing a decreased engagement in the health care system with decreased costs, which also speeds up the time that those patients who do require access to those services can access them. Patients are responding well, and the health care system costs are less.

Another interesting finding is that a case study founded in one of the Ontario family health teams found that when a chiropractor was included in the team, 52% of their patients received less prescription medication, use of narcotic medication was decreased and the number of physician visits was decreased.

So the challenge remains: How do we implement this in the Ontario health care system? We know that it's effective, but how do we implement it? Fortunately, chiropractors are now included on the list of providers who can work in family health teams, community health centres, aboriginal health care centres and nurse practitioner-led teams.

Chiropractors are also playing a crucial role in the Ministry of Health and Long-Term Care's Low Back Pain Strategy, including two pilot projects: the inter-professional spine assessment and education clinics, or the ISAEC centres—and that has been operating since November 2012; and the primary care low back pain project, which was just launched in November 2014. These pilots are a great start at making the case for including chiropractic care in Ontario. However, the challenge is, that although chiropractors can be included, at this point, there is no additional funding for inclusion of chiropractors in those teams.

To address that gap, a number of chiropractors across the province have been engaging in different projects, and I am involved in one of those, which is what I came to share with you today. Back in 2013, I began a project with a community health centre in my hometown. What we were looking to address was the challenge of those patients who could not afford chiropractic care despite their ongoing back problems.

This project has developed to include four chiropractors offering care free of charge, two days a week, within the

community health centre. All of our patients are referred by the physicians or the nurse practitioners within the clinic and seen on site in the actual community health centre.

The program has been so successful that within a month of opening, we had no room in our schedule. We had to change how we were doing things to accommodate the volume of patients who were being referred. We're constantly looking at ways to create better efficiencies within that plan.

Many of the patients we see here are suffering from chronic pain that's limiting their ability to function. In some cases they're not able to sustain employment because of the significance of the problems that they're experiencing, and for many there are associated comorbidities, including mental health issues.

Throughout my years in practice I've seen many patients with significant problems. I've treated patients with workplace injuries who are unable to work; I've treated patients with injuries as a result of motor vehicle accidents who are significantly impacted. However, my time at this community health centre has given me a deeper appreciation for the impact of these injuries.

There's one patient at this centre who has made that more clear to me, probably than any other patient I've ever seen. He came to me as a referral from one of the physicians, as all our patients do, but on the day that I saw him my schedule was already full. The physician approached me—

The Chair (Ms. Soo Wong): Dr. Brown, can you please wrap up?

Dr. Amy Brown: Absolutely. This patient was experiencing significant low back pain but also had mental health issues that were a significant challenge for him. Without treating this back pain, his mental health issues stood to be significantly more of a problem. We were able to affect things so much further beyond just the care of that particular patient.

So I urge you to continue your commitment to enhance low back pain patient care. Specifically, I believe there are two important ways that we can do so. First of all, we recommend that interprofessional primary care teams be funded to hire chiropractors to support comprehensive MSK programs. This will promote the immediate improvement of MSK and low back pain care in team settings.

Also, I urge you to ensure that there's funding for a province-wide rollout of comprehensive low back models of care based on the results of the pilots that are currently under way.

The Chair (Ms. Soo Wong): Ms. Hoggarth, do you want to begin the questioning?

Ms. Ann Hoggarth: Good morning, Doctor. Thank you for your presentation. We had a similar presentation in Fort Erie from Dr. Albert Scales, who is also working on a project and told us about the positive results. I think everyone around this table at one time or another has had some kind of back pain, and it sometimes can be incapacitating. I can't imagine having it all the time.

I know that chiropractors are providing relief to Ontarians and helping them manage pain every day. Your statistics—and Dr. Scales's statistics, too—are very important to us. Can you tell us more about the value of chiropractic care for patients? How does chiropractic care help reduce pressure on other parts of the health system? I know you touched on it, but if you could tell us more.

Dr. Amy Brown: Absolutely. The most immediate one is taking patients out of primary care physicians' offices. These are problems that frustrate those physicians, that they don't have great answers for. Taking these patients out of that schedule leaves room for people who have complaints that do need to be addressed in that setting. There are, of course, cost savings associated with that as well.

The greatest cost savings come, though, from those referrals to specialists and from decreased imaging. We know that a lot of imaging is being done that isn't entirely necessary, and by taking patients out of that stream there are significant cost savings.

Ms. Ann Hoggarth: Great. I wanted to ask you: Dr. Scales told us that he thinks community-based health care is going in the right direction, and I wondered if you felt the same way.

Dr. Amy Brown: Absolutely. We see great results when things are in the communities where patients are. When we're able to work in these teams where we can talk to each other, that's the greatest benefit that I'm seeing in the setting that I'm involved in with a community health centre. I met with that physician in the hallway and talked about the case right away. I didn't have to call across town; I didn't have to coordinate with my schedule. It's incredibly efficient, the way that we can work when we put everyone together like that.

Ms. Ann Hoggarth: Thank you very much.

The Chair (Ms. Soo Wong): Ms. Vernile, do you have a question?

Ms. Daiene Vernile: No, I was just making eyes at you, but I can ask a question if you like.

We've heard from several other chiropractors, as well as people who are sitting on this committee who have talked about their own back pain. So I'd like to ask you: With the investments that we are making in the Low Back Pain Strategy that was announced last fall, how is that going to impact on the way you do your job?

Dr. Amy Brown: Will the pilots affect my personal practice or my ability to deal with back pain?

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Ms. Daiene Vernile: In what way do you feel that this strategy is going to be useful to your work?

Dr. Amy Brown: I think that it will in a number of ways. First of all, if it makes care more accessible to Ontarians, then that is fantastic. If we can take the cost barrier out of that, then that is incredibly helpful.

But the conversations that are developing with physicians because of that are also incredibly helpful, because they're becoming much more confident in making those timely referrals. So even if they aren't currently part of a site, they're hearing about it, and the implied approval of

those sites is creating more discussion in the health care community and leading to other referrals at this time as well.

Ms. Daiene Vernile: It's a very pervasive problem, isn't it?

Dr. Amy Brown: It affects a lot of people, and it's a very frustrating one in the way our health care system is dealing with it right now.

Ms. Daiene Vernile: Thank you, Dr. Brown.

The Chair (Ms. Soo Wong): Thank you very much, Dr. Brown. If there are any written submissions, please submit them to the Clerk by Friday, by 5 p.m.

Dr. Amy Brown: Perfect. Thank you.

The Chair (Ms. Soo Wong): Thank you very much, Dr. Brown.

CITY OF LONDON

The Chair (Ms. Soo Wong): The next presenter is the city of London. I believe we have Mayor Matt Brown. I also heard from the Clerk that Grant Hopcroft is also present here. You're welcome to join the mayor at the table, sir.

Good morning, Mr. Mayor. As you heard, you have 10 minutes for your presentation, followed by five minutes of questions, this time from the official opposition party. You may begin any time. Please identify yourself and your position with the city of London for the purpose of Hansard. Thank you.

Mr. Matt Brown: Good morning. I am Mayor Matt Brown. Welcome, everyone, to London. Teresa and Peggy, welcome home. It's a pleasure to see you here.

Thank you very much for the opportunity to address this distinguished group.

We have a number of plans in the city of London, and we need your help. We have a plan to revitalize London to create jobs and to grow our economy. Our budget submission outlines what I would describe as a bold plan to create jobs, to invest in rapid transit, to support the initiative of high-speed rail and other transportation infrastructure. But it also calls for some measures to give the city the fiscal room to make ongoing investments in our local economy.

We also want to ensure that the programs that support the most vulnerable will continue or be enhanced, and also want to highlight the need to provide support to our local businesses through the Southwestern Ontario Development Fund and also, of course, through other mechanisms that support key economic clusters in expansion, research and development. Those should also be continued.

If I had to describe our top priorities, I would say that they fall under an "unlocking prosperity" program, as we call it, and also a rapid transit program. We'll start with unlocking prosperity.

We have a history, a strong history—a 15-year history—of successfully acquiring and servicing industrial land to attract investments and jobs. This success has been in large part due to partnerships across all levels of

government. London is calling on both other levels of government to invest in a strategy to assist.

Specifically, what I mean by that is that here in London, we need more industrial land that's the right size, that's in the right place, over near the 401/402 corridor, and that's serviced and ready to go, so we can take advantage of investment opportunities as they present themselves.

The plan, at full completion, generates \$43 million per year for the province from education and income taxes, on top of corporate taxes, so there's certainly a benefit to the provincial government as well. The initiative will increase our GDP locally by \$400 million due to the direct job creation.

I'll start with the need. As you know, we've lost over 5,000 jobs over the past several years in the CMA. Our five-year unemployment rate is 8.5%, and for youth aged 15 to 25, it's an alarming 18%. We have over 10,800 active Ontario Works cases each year, and that's our average over the past four.

The plan is to develop 300 hectares of fully serviced, shovel-ready industrial land, strategically located on the 401/402 corridor in close proximity to our airport and, of course, the NAFTA corridor.

The plan calls for a \$120-million investment, shared equally between each level of government: \$40 million from the province, \$40 million from the federal government, and \$40 million from this municipality. It's a five-year plan, looking for \$8 million a year over that five-year term. I should also point out that the city will also invest in the actual purchasing of the land, so the city's role is somewhat larger than one third. The benefits: 4,600 direct and indirect permanent jobs and approximately 4,000 person-years of construction jobs.

I'm going to give you a couple of examples of successes that we've had in the past and the kind of impact that has on the entire southwest region.

The Original Cakerie is one. They spend \$30 million a year on agricultural inputs: flour, eggs, cream, fruit, sweeteners, those sorts of things. Recently we opened Dr. Oetker pizza. They're expected to purchase approximately 11 million kilograms of high-quality ingredients from Ontario farmers and food processors. So there's definitely a return on investment there.

Secondly, investing in rapid transit and connecting it with high-speed rail: We're trying to create connectivity across our community to ensure that our workers can access newly created employment lands and that mobility is increased for all Londoners. Rapid transit is a 16-year plan. It fundamentally changes the way that we move across the city of London. We have congestion issues. Congestion issues are tough on our economy; they're tough on public safety, and hurt our quality of life and hurt our environment.

We've looked at a number of best practices in municipalities across Ontario and across Canada and we see rapid transit as the answer. We have a very extensive environmental assessment under way right now, and we need your help to bring this program entirely to fruition.

It's an ambitious plan. It's a 16-year plan with a \$380-million estimated investment over the course of the term of the investment. It's scalable and it's also a plan that will require investment over a long period of time. The municipality is ready to pay their share. We've just gone through a development charge review, and \$85 million has been earmarked within that DC to cover costs associated with our RT plan.

I'll highlight, just lastly, a need that is short-term. In 2015 alone, London could advance our RT strategy with an investment of \$5 million from the province. This \$5 million would be used to fund that EA I had spoken about earlier. It might also help with land acquisition, with work along the north-south corridor, and also to immediately provide some relief for commuters, including our student population.

Finally, I'll highlight the need connected to our infrastructure gap. We hear about that, I know, right across the province. We have a \$90-million transportation infrastructure gap. It's estimated to grow to \$260 million over the next 10 years. That's why we're seeking provincial support for this rapid transit plan. We don't see the solution as just adding more and more and more lane kilometres of road across the city as a long-term solution. We see it as fundamentally shifting our program. You can learn more about it at shiftlondon.ca, by the way, a website that we announced just yesterday.

It looks like I'm coming up to the tail end of my 10 minutes, so I'm going to just wrap up by saying that we have been hard hit by the recession and we're still recovering. We're making steps towards that recovery but we can't take anything for granted. We need to continue to invest. We're critically low on industrial land that's serviced and ready to go, which means that opportunities could pass us by. We are very focused on that file.

We're talking about 8,600 jobs and \$43 million in annual revenue for the province at full build-out. That \$40-million investment in terms of \$43 million in annual revenue for the province—payback comes in one year after full build-out.

Secondly, we see RT as a game-changer for our community and as a necessary step. It's a bold direction and it's a long-term direction, but we need to address our congestion problems. We also have an opportunity of a generation because we are conducting our official plan. We're actually developing a brand new official plan. The last was in 1989 and the one before that was in 1971.

We see an opportunity to fit our official plan, a rapid transit program, hand in glove with the province's high-speed rail program. We want to make sure that London not only moves people across the city but also is a key player in moving people across the region. I imagine someone from St. Thomas taking a quick trip into the south end of London, parking their car, hopping on our rapid transit system, heading downtown, hopping on a high-speed rail and being in Toronto in no time. That really is a game-changer for this community. Effectively, it moves us closer to the GTA, which would really kick-start our economy as well. Thank you.

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The Chair (Ms. Soo Wong): Thank you, Mr. Brown. I believe Mr. Fedeli will begin this round of questioning.

Mr. Victor Fedeli: Good morning, Your Worship. It's nice to see you this morning.

In your section—you didn't get to it—"Improve municipal fiscal health," you talked about simplifying reporting requirements, the police and emergency costs, the traffic act and development charges. Can you address what you think about those four in a quick sentence or two for each?

Mr. Matt Brown: Sure. I'll start with our emergency services costs. Of course, like any other municipality across Ontario, we have a budget pie, and as the pressures grow in that file, that piece of the pie grows and it puts pressure on the remainder.

We're doing many things locally. We are engaged in outsourcing internal audits within our police services board, which is a direction that is brand new for municipalities to try and find savings and efficiencies. We're working with other police service boards across the province with some bargaining strategies, but we're also looking to the province to help with that model as well.

Mr. Victor Fedeli: It says that you're urging the province to move quickly to bring high-impact measures to take action on police and emergency services costs. What do you want the province to do specifically?

Mr. Matt Brown: Specifically, when we look at what mechanisms are available at the municipal level to address those pressure concerns, there were few, and the mechanism that's available at the provincial level is certainly in line with some of the aspects focused around the arbitration system.

Mr. Victor Fedeli: Okay. So that was your recommendation number 6.

Mr. Matt Brown: That's right.

Mr. Victor Fedeli: So you're talking about the province fixing the arbitration. Can you just explain that briefly?

Mr. Matt Brown: Yes. What we looked at is a number of factors related to the arbitration system and the ability to negotiate locally. We would like a stronger ability to negotiate locally so that then we can take into account our ability to pay as a municipality. Certainly, increases that we've seen in the past, twice the rate of inflation, put significant pressures on our municipality and that means that we can't focus on other areas of the community.

Mr. Victor Fedeli: I know when I was first elected mayor of the city of North Bay in 2003, I remember, naively, having a study done in our negotiations. It was my first negotiation and I had a study done on our municipality's ability to pay. I remember handing it to the arbitrator and the arbitrator didn't even look at it. He simply slid it back across the table unopened and said, "My instructions do not include having to take your ability to pay into account." It was a rude awakening in 2003. Obviously many years have gone by and we still haven't seen any movement on that. That's still a key

factor for you, taking a municipality's ability to pay into account in wage settlements?

Mr. Matt Brown: That's right.

Mr. Victor Fedeli: Okay. You continued on with the highway traffic statute law. Can you explain what you mean by that? It was right after your—

Mr. Matt Brown: I'm just looking through my notes, if you can give me one moment.

Mr. Victor Fedeli: It's on the top of page 5, I presume. It's "Pass the highway traffic statute...." Can you explain that?

Mr. Matt Brown: Yes, absolutely. What we're looking for there is an amendment within the highway traffic statute law that would help municipalities collect unpaid fines.

Mr. Victor Fedeli: Do you know what the value of your unpaid fines are in your municipality today?

Mr. Matt Brown: I know it's significant. We spoke about it at—Grant, do you have that figure handy?

Interjection.

Mr. Matt Brown: It's about \$20 million, so it's really a significant dollar value.

Mr. Victor Fedeli: I know when I left the mayor's chair in North Bay it was around \$11 million in our community. It's impossible to collect, and I would really love to see the province move on that as well—to trigger something. I presume you're talking about the renewal of a licence or that sort of thing.

Mr. Matt Brown: All of those things; that's right.

Mr. Victor Fedeli: You talked about development charges in the next point. How does the province get involved in ensuring that the growth pays for growth. What would you do in that case?

Mr. Matt Brown: There are some specific policies. The amount of money that we're allowed to attribute towards development charges doesn't equal the amount. It comes close. It's in the 90% range, but it doesn't cover the entire amount.

The Chair (Ms. Soo Wong): Mr. Arnott.

Mr. Matt Brown: —and, of course, the statutory reductions as well.

Mr. Ted Arnott: Thank you very much. I've got a very quick question. You mentioned at the outset that you want to unlock prosperity in London. We agree with that. We want to support you any way we can, obviously. You're requesting \$8 million a year for five years from the province to assist in the servicing of the new industrial land. Have you made any applications to the government under the existing infrastructure programs in that respect, or are you looking outside of the existing program framework?

Mr. Matt Brown: We've had discussions, but the application process is pending negotiation with the federal government.

Mr. Ted Arnott: Okay, thank you.

The Chair (Ms. Soo Wong): Thank you very much, Your Worship, for being here, and for your written submission as well.

Mr. Matt Brown: Thank you. Stay as long as you like, and spend some money here in London.

The Chair (Ms. Soo Wong): Thank you for your hospitality.

DIETITIANS OF CANADA

The Chair (Ms. Soo Wong): Our next presenter is the Dietitians of Canada. I believe it's Leslie Whittington-Carter, Ontario government coordinator, who's presenting to us. Good morning. As you heard, you have 10 minutes for your presentation followed by five minutes of questioning from committee members. This round of questioning will be by the third party. You may begin at any time. Please identify yourself and your poition with the Dietitians of Canada. Welcome again.

Ms. Leslie Whittington-Carter: Thank you, and good morning. My name is Leslie Whittington-Carter, and I'm the Ontario government relations coordinator for Dietitians of Canada. We're the professional association for dietitians across the country. We have about 3,000 members here in Ontario and a little over 6,000 members across the country.

Dietitians of Canada's vision is to advance health through food and nutrition. We do this by providing trusted nutrition information to Canadians and providing nutrition policy advice to all levels of government. Thank you for the opportunity to highlight our recommendations to you today. It's our goal to improve the health of Ontarians and support cost-effective health promotion and health care service delivery.

The committee will be receiving our complete submission electronically, which includes the background and the evidence behind our recommendations. The underlying theme of all these recommendations is access: access to credible nutrition advice provided by registered dietitians and access to healthy foods for all Ontarians. Today, I'll be highlighting our priority recommendations.

A bit of background about registered dietitians: According to Ipsos Reid consumer surveys, registered dietitians continue to be the most trusted source of nutrition information for Canadians, and for good reason. Dietitians complete rigorous university education and practical training to be eligible to write the Canadian dietetic registration exam, and we have to maintain ongoing competency requirements through the regulatory body. Here in Ontario, it's the College of Dietitians of Ontario.

Our recommendations for the pre-budget report are aligned with DC's commitment to ethical and evidence-based practice.

First, in order to support access to registered dietitians, we need to ensure that there are sufficient numbers trained to replace impending retirements and to ensure capacity to meet population needs. We thank the committee for including this recommendation in previous years' reports to act on this shortage; however, no specific action has been taken.

In 2012, the Task Force on Dietetic Education and Practical Training provided recommendations built on a

strong foundation of collaboration between the profession, the educators and the regulatory body. Currently, some provinces' university programs are moving forward with components of the proposed plan, but we need support for workforce planning in order to ensure that the education and training system is meeting the needs of the province.

We have evidence that access to dietetic services is not currently meeting needs. For example, according to the Public Health Agency of Canada's 2011 report on diabetes, only 26% of patients with diabetes have seen a dietitian. According to the clinical practice guidelines, patients with diabetes should be referred for counselling by a dietitian. So either the health system is not connecting patients with dietitians, or the shortage of dietitians is preventing these patients from getting adequate care.

Another piece of information on access is that, as reported in the 2013 National Physician Survey, over 40% of Canadian physicians who responded to the survey felt that access to dietitians was inadequate. Specifically here in Ontario, 43% of physician respondents felt that access to dietitians was inadequate. That number in Ontario was the second-highest among the provinces.

Our second recommendation around access is to continue funding for operation and promotion of the EatRight Ontario dietitian advisory service. This service, which I hope you're all aware of, is funded by the Ministry of Health and Long-Term Care and operated by Dietitians of Canada. It provides Ontarians with free access to dietitians through telephone, email and website.

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Evaluation has shown that consumer satisfaction is very high and that users act on the information they receive. This service is especially important to provide nutrition information to users who cannot access a dietitian in person, and to connect people with programs and resources in their own communities. The service is cost-effective and the cost per contact continues to decrease in each year of the program.

As well, EatRight Ontario has the infrastructure to support implementation of provincial policy and programs, and that's been demonstrated through supporting the school food and beverage policy, the diabetes strategy and Fresh from the Farm: Healthy Fundraising for Ontario Schools. We believe EatRight Ontario can play an even greater role in program and policy support, such as by supporting the implementation of the recommendations of the Healthy Kids Panel and the Living Longer, Living Well seniors' strategy. Continued funding for EatRight Ontario's operations through a multi-year funding agreement is needed to plan effectively for service and promotion.

Our third recommendation to improve access to dietitian services is in home care. The commitment to aging at home has led to targeted funding for some services. However, most therapy services, including dietetics, have seen decreases in referral rates through the CCACs, which leads to individuals not receiving the care they need.

Service provider agencies have difficulty retaining qualified professional staff due to the inconsistency in work available. For example, in 2013-14, only 0.13%—so that's one tenth of 1%—of home care visits in the province were for nutrition services. All therapy services in the home care system combined represented less than 5% of the total home care services provided in Ontario. Given the importance of nutrition in recovery from acute episodes and managing the effects of chronic disease, it's therefore likely that many home care clients who need dietetic services are not receiving them, and their home care service needs are likely extended due to that.

Nutrition services delivered through home care system supports help system objectives by maintaining independence and managing health conditions. Targeted funding to enhance therapy service delivery and home care is needed. Targeted funding initiatives for nursing staff and personal support workers are very important, but the home care interprofessional team needs the expertise of therapy professionals, such as registered dietitians, in order to achieve client outcomes.

Our organization has been actively involved with the Quality and Value in Home Care initiative and in providing the ministry and the OACCAC feedback on accessing dietitians' expertise in a cost-effective manner for home care clients.

Most consumers and health professionals assume there is good access to dietitians within the hospitals and the acute care sector. However, recent work by the Canadian Malnutrition Task Force found that only half of the patients who are malnourished according to standardized assessment protocols are referred to the dietitian for intervention. This study also found that 45% of patients admitted to hospital were malnourished. These patients had longer lengths of stay and were more likely to be readmitted within 30 days of discharge.

Given the prevalence and effects of malnutrition, adequate staffing and leadership for registered dietitians in hospitals is very important, yet some hospitals have downsized clinical nutrition services. The senior friendly hospital report indicated that nutrition/hydration protocols and monitoring procedures were not commonly in place, which puts patients at significant risk for functional decline, increased lengths of stay and higher rates of readmission. The capacity for nutrition services within acute care must be maintained to help correct these issues as well as support transitions in nutrition care from other sectors.

Improving access to dietitians enables individuals and families to improve their health. However, it's also important that all Ontarians have access to healthy foods in order to act on the advice the dietitian provides. The social assistance review demonstrated the importance of food security issues, and we continue to reiterate the need to consider the actual cost of purchasing food in specific regions when setting social assistance rates. Public health units around the province collect this data annually using a defined protocol known as the Nutritious Food Basket,

and it consistently shows that many social assistance recipients are unable to afford the cost of a healthy diet.

Dietitians of Canada's updated food security position paper will be available soon, and we will be sending all Ontario MPPs a copy, so watch for that in your email in the next few months. The position paper summarizes the evidence on the wide-ranging effects of food insecurity on both physical and mental health. Poverty reduction is the main recommendation to improve food security, so we reiterate our recommendation we have made over several years, that the findings of the public health unit's Nutritious Food Basket protocol be used as a starting point to determine an adequate amount for food in social assistance payments.

Access to adequate healthy food for residents living in Ontario's long-term-care homes is also a challenge due to rising costs that outpace the funding provided by the Ministry of Health and Long-Term Care. I know you're receiving a recommendation from the Ontario Association of Non-Profit Homes and Services for Seniors, OANHSS, for a 5% increase in the raw food costs per diem for funding. Dietitians of Canada's long-term-care action group is currently surveying long-term-care homes in the province to get more information on specific effects of the current funding levels, and we'll be sharing that information with the Ministry of Health and Long-Term Care once the report is complete.

A final recommendation is the development of a comprehensive and coordinated food and nutrition strategy for Ontario. There are many worthwhile initiatives under way—

The Chair (Ms. Soo Wong): Ms. Whittington-Carter, can you please wrap up your presentation? Thank you.

Ms. Leslie Whittington-Carter: The province is lacking an overarching strategy to provide measurable goals and objectives and strong leadership. The Ontario Collaborative Group on Healthy Eating and Physical Activity has developed a background paper and priority recommendations for such a strategy, and DC supports this as a means of improving health through nutrition. We urge the government to specifically analyze policy for its impact on health and to begin working toward a coordinated food and nutrition strategy for Ontario.

Thank you for your attention. I'd be happy to answer any questions.

The Chair (Ms. Soo Wong): Thank you very much. Ms. Fife, do you want to begin the questioning?

Ms. Catherine Fife: Thank you. I have a quick question and then I'll pass it off to my colleagues.

Thank you very much, Leslie, for bringing forward what I think are some very constructive recommendations. Not all of it is new information. It must feel a little bit like Groundhog Day some days. The connection between proper nutrition and quality health is obviously well documented, and we've actually heard across the province the voices of those who are on ODSP, on social assistance, and they've said very clearly to us that they can't access the healthy foods to keep them out of the

health care system. I think your recommendations are very timely.

Last year, you told the committee that there has actually been a decrease in referrals to dietitians. Have you seen any change over this past year that you would like to speak to?

Then the second part of that is, the government's home care review panel is going to be coming forward, I think, this Saturday or maybe early next week. Do you support the greater direct public delivery of home care services through the CCAC model? I think it would be beneficial for us to hear how you view that playing itself out.

Ms. Leslie Whittington-Carter: Sure. In terms of your first question, in terms of referrals to dietitians through the CCAC home care sector, it has remained about stable the last couple of years. There had been a very large decrease and then it has been holding stable at a very low level over the last couple of years.

In terms of the home and community care expert panel, we certainly provided a great deal of input to the panel and we feel that the CCAC system has some benefits. We think that it needs some work, definitely, in order to fully realize the benefits of providing home care and providing a true interprofessional approach. We do certainly agree that it needs some revisions. But in terms of some other groups' calls to scrap the system and go to something else, we have not made that same recommendation.

Ms. Catherine Fife: But you did address the absence, if you will, of targeted funding for dietitians within that system. I anticipate you're going to give us a written copy of your presentation.

Ms. Leslie Whittington-Carter: Yes.

Ms. Catherine Fife: Can you provide some financial analysis of investing early in proper diet care versus downstream, if you will?

Ms. Leslie Whittington-Carter: There is evidence on the health promotion side. For example, for diabetes care it's been found that nutrition counselling can reduce the impact of diabetes and can reduce the need for medications. Targeted nutrition counselling has been found to replace the need for a number of medications, and so forth. We do have some evidence of that, yes.

The Chair (Ms. Soo Wong): There are two more minutes. Ms. Armstrong?

Ms. Teresa J. Armstrong: Thank you very much for your presentation. Part of what you're talking about seems to be about preventive care. If you have access to a dietitian, it can prevent further complications. Specifically, I'm looking at diabetes.

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I'm the seniors' critic and am very interested in the home care delivery piece. You had said that there has been a lack of referrals to dietitians. What do you attribute that to? Is it access? Is it funding?

Ms. Leslie Whittington-Carter: It's primarily funding. From what we know, the case managers have a fixed—they're under a lot of pressure to meet their

budgets, so they have to make a lot of hard decisions about—

Ms. Teresa J. Armstrong: So they're prioritizing what they refer and therefore—

Ms. Leslie Whittington-Carter: Exactly. Sometimes that means that they cannot refer to all of the professionals that really should be involved in the care of the client or they may allow for one or two visits, which is probably not adequate for what the client actually needs.

Ms. Teresa J. Armstrong: In the interests of time, so I can ask this particular—

The Chair (Ms. Soo Wong): Okay. Thank you very much for your presentation, Ms. Whittington-Carter. If there's any written submission, can you please submit it to the Clerk by Friday at 5 p.m.?

Ms. Leslie Whittington-Carter: Definitely. Thank you very much.

GREATER KITCHENER WATERLOO CHAMBER OF COMMERCE

The Chair (Ms. Soo Wong): The next presenter is the Greater Kitchener Waterloo Chamber of Commerce. Mr. Sinclair, welcome. Mr. Sinclair, you have 10 minutes for your presentation, followed by five minutes of questioning. This round of questions will come from the government side. You may begin any time, and introduce yourself for Hansard.

Mr. Art Sinclair: Thank you very much, Chair, and thank you to the committee for the invitation again this year for the 2015 budget deliberations.

My name is Art Sinclair and I am vice-president of the Greater Kitchener Waterloo Chamber of Commerce. Following up on the earlier presentation by Dr. Brown, my back is in pretty good shape as a result of having a mother who was a school teacher who taught correct posture at a very young age, so I will try to adhere to that.

In past submissions to the committee, like a lot of other groups, we focused on the expenditure side of government—investments into our community and infrastructure, health care and educational institutions that have been quite beneficial over the last number of years. This year, I think the primary focus of our brief, which is being distributed right now, is more on the revenue side, and by "revenue side," I'm not talking about increasing taxes or fees. We're talking about increasing revenues to the government through increased economic activity.

The brief that I've submitted outlines a number of recent reports. I think probably most members of the committee and most members of the provincial government have seen these reports or similar documents from the banks, academic institutions and other think tanks that are essentially outlining the prospects for the province of Ontario, which, at this point in time, are quite positive.

Driving over this morning from Waterloo region I was reminded of something I was told a number of years ago by a senior manufacturer in our community. He said, "I read the forecasts from the banks and the academic institutions. I don't necessarily believe them. If I ever want to

determine how the economy is moving, I get in my car and I drive from Kitchener-Waterloo over to London. If there are more trucks on the road when I drive over than there were two months ago, I know the economy is in good shape." Driving over this morning, the economy must be moving because there were a lot of trucks on the road. At one point in time, I think around Dorchester, the inside two lanes were just solid with semis for about a mile. So is the economy moving? Yes, it is.

The focus of a lot of our presentation today is on one particular sector, and that's the manufacturing sector. Again, I'd like to reiterate what the earlier presentation from Dr. Frise mentioned: The manufacturing sector today is a lot different than it was a decade ago. I mention "a decade ago" because that's when we saw a particular change in the manufacturing sector here in the province of Ontario. That is when, because of the result of a higher dollar and some other factors, manufacturers started to leave Ontario and go to other competing jurisdictions. I think Dr. Frise pointed this out: Our manufacturing sector now is the high-end manufacturing sector. We do specialized products.

I think the best description would be provided by—I was at a conference four or five years ago, the Southwest Economic Alliance, and there was a panel discussion on manufacturing. One of the speakers was a gentleman who ran a company down in Simcoe, Ontario, that manufactured rain gear, primarily for the construction industry. He made a comparison between his operation and somebody in these lower-cost jurisdictions. "The distinction is," he said, "if a customer calls me on Friday afternoon and wants a product by Monday morning, I have to deliver it to him because I'm the high-end manufacturer. My product is a better product and I have to be able to adjust to what the customer wants."

The higher—

The Chair (Ms. Soo Wong): Excuse me, Mr. Sinclair.

Can I ask Ms. Armstrong and Ms. Whittington-Carter to go to the back of the room for their conversation so we can hear better? Thank you.

Sorry about that. I can extend by a minute for you. Thank you.

Mr. Art Sinclair: Thank you, Chair.

Again, to follow up on Dr. Frise's comments, we're in the high-end manufacturing, the advanced manufacturing field, and that's specialized products that require technology, that require innovation and research to be competitive in global markets.

This is the message that Jayson Myers from the Canadian Manufacturers and Exporters developed seven or eight years ago, as the recession started. This is the reality of Ontario manufacturing, and that narrative has not changed. I think it's evident in the brief, in fact. This is the reality of the current manufacturing industry in the province of Ontario right now. We have that niche for high-end products that require particular skills, and that's something I'm going to address later on in the presentation. But overall, I think our prospects are very strong for growth, and I think that with assistance from the provin-

cial and federal governments, there are a lot of opportunities that we can take advantage of.

Just one further comment about manufacturing: When I was here a year ago, one of the big concerns that we had was the closure of the Heinz manufacturing facility in Leamington and the Kellogg's plant here in London. That was, I think, as we're all aware, a significant bad-news story for the Ontario manufacturing and the food processing industries.

Today, I think we have a different interest with respect to the agricultural industry. This follows up somewhat with Dr. Frise's earlier presentation. Our interest is in an area called bioproducts, which is taking residues from agricultural products and using them for industrial production. The most prominent facility of recent times has been located in Sarnia: BioAmber. What they are doing there is taking sugar from corn stocks and using that as a base product for the production of chemicals for industrial applications.

That's the first in a number of research initiatives into commercial applications of using residues from agricultural production in manufacturing. It's a very interesting field. It's essentially combining Ontario's two primary economic sectors, manufacturing and agriculture, and developing advanced products—what I was referencing before—for the global market. I think that's something we're particularly interested in.

Our recommendation on manufacturing is—and this is a recommendation that we've made to the committee before—we would like to propose that the provincial government consider establishing a separate ministry for the provincial manufacturing industry. Our point, as referenced in the brief, is that there is a Ministry of Agriculture, there's a Ministry of Northern Development and Mines, a Ministry of Natural Resources and Forestry, and a Ministry of Tourism. The manufacturing sector is still the number one economic sector in the province of Ontario, so from our perspective—again, a lot of this is related to advocacy, having a person at the cabinet table who would be an advocate for the Ontario manufacturing sector. This is something we're very much interested in and we've been proposing for a number of years.

Related to the establishment of a provincial ministry of manufacturing, we would very much like to see some type of provincial manufacturing strategy. It's sometimes frustrating—and I think a lot of people in municipal economic development may disagree with this, but each municipality now—upper tier or lower tier—has their own municipal economic strategy. I think there's very much a need for a provincial strategy, one strategy that would guide economic development in the province of Ontario, say, for example, with the application of bioproducts and biotechnology. Sarnia-Lambton is the leader in that area. However, if there's technology, research and development happening in Sarnia that could be of benefit to farmers in our home community of Waterloo region, then we should be connecting.

In the same way, we have a particular strength in information technology and manufacturing. We should be

connecting, probably better than we do, with other municipalities and other businesses across southwestern Ontario. I think the province has a role that they can play in this.

My second point, somewhat related to manufacturing and economic development, as outlined in the brief, is post-secondary education and funding, particularly for infrastructure on both college campuses and university campuses.

When we were here seven or eight years ago, and the economy was somewhat more fragile than it is right now, we and our local post-secondary institutions—Dr. Blouw at Wilfrid Laurier; David Johnston, Governor General of Canada, formerly president of the University of Waterloo; and particularly John Tibbits, the president of Conestoga College—all of us, the chamber of commerce included, were making representations before this committee and other committees on the importance of investing in post-secondary infrastructure.

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Subsequent to those discussions—of course, some of you will remember—the 2009 Ontario budget, along with the federal Knowledge Infrastructure Program, put about \$1.5 billion to \$2 billion into provincial post-secondary institutions for infrastructure. Locally, Conestoga College, at the south end of Kitchener by the 401—you probably saw it on the way over this morning—received about \$100 million from provincial, federal and private funding. That's a pretty significant investment.

The issue now is, the investments are there, and, with the economy growing, to use a sports analogy, practice is over and the game has begun. It's very important now that the post-secondary institutions of the province—the colleges and the universities both—are in position to start producing graduates who meet the needs—

The Chair (Ms. Soo Wong): Mr. Sinclair, can you wrap up your presentation?

Mr. Art Sinclair: Sure. Again, it's very important, I think, for our local post-secondary institutions and colleges to be able to produce graduates who meet the demands of the local workforce. We have every confidence in the ability of Conestoga to meet our demands, because we have been working with the college for a number of years, and we think they are in an excellent position to assist employers in Waterloo region moving forward. Thank you.

The Chair (Ms. Soo Wong): Thank you very much, Mr. Sinclair. Ms. Vernile will begin the questioning.

Ms. Daiene Vernile: Art, good morning, and thank you very much for coming and speaking to our committee today and informing us of your concerns.

In my previous role as the anchor and producer of *Provincewide*, a local news and current affairs program produced out of CTV Kitchener, I had the opportunity to interview many of your colleagues on various issues, including your very successful physician recruitment drive. So congratulations to you on that. It shows that you are a very strong voice for business in your community, and you are driving regional growth.

You touched on manufacturing, and what an interesting idea: to have a ministry of manufacturing. I will certainly take that back to Queen's Park and make that suggestion.

I had a recent conversation with the outgoing mayor, Carl Zehr, about manufacturing. We did so during the election campaign. He said, "Daiene, during the first part of our century"—so 2000 to 2010—"we lost many jobs in manufacturing, and, in fact, we had the stuffing kicked out of us." But he said to me, and he said this to me in my capacity as a former journalist, "Why don't you report the good stories?" I said, "Tell me." He said, "We have recovered all of those jobs." I said, "Well, for instance, where?" He said, "Well, it's advanced manufacturing—places like Dare, Mitchell Plastics, Clearpath Robotics, Conestoga Meat Packers."

So let me ask you, with the chamber of commerce, do you agree with the outgoing mayor, Carl Zehr, that we have recouped all of those lost manufacturing jobs in your region and that they are well-paying jobs?

Mr. Art Sinclair: Oh, yes, I think we have. The statistics are indicating that.

I was at a meeting last week, and Janette MacDonald, from the economic development department from the city of Kitchener, did a presentation she substantiated with Statistics Canada numbers. In fact, we have essentially secured or maintained, or, I guess, retained, our level of manufacturing job loss.

Going back, we use the term—and I referenced this in the report. The global recession started in 2008 with the collapse of Lehman Brothers on Wall Street. Southwestern Ontario was in a recession long before that. Going back from our own personal experience in Waterloo region, the closing of the Goodrich tire plant in January 2006 probably was the start of the recession, because 2005 was a phenomenal year for us in Waterloo region. In 2006, we started seeing that capacity loss in manufacturing.

But I think the important thing to mention: We have to have a better understanding of what manufacturing is, because particularly in our community we seem to have this silo. You're either manufacturing or you're information technology. You mentioned Clearpath Robotics. They're often considered information, or "high tech" I guess is the better terminology. They're actually a manufacturer.

Ms. Daiene Vernile: I was just at the plant, and I saw what they were doing in the backroom. They are building those robots.

Mr. Art Sinclair: Yes, and I think it's an interesting application that they often refer to. It has got many applications, but one thing it's used for is, if you have a vulnerable position in a mine in northern Ontario, you send the robot down and it can provide the images rather than sending a person down.

So I think we have to get that definition of "manufacturing," because clearly they're considered high tech, because it is a high-tech product, but guess what? They manufacture it the same as Toyota manufactures cars. So

if you look at manufacturing from that perspective, it's a big industry and it's a lot of potential.

Ms. Daiene Vernile: You didn't mention this and I want to ask you very quickly about transportation in your area because it is really critical. We're investing \$300 million in your LRT. We have allocated \$29 billion for infrastructure spending, which is going to look at all-day, two-way GO train service to your region as well as doubling the number of GO trains by 2016, and we are looking at high-speed rail. There's currently an environmental assessment that's happening. How is that going to impact business in your area?

Mr. Art Sinclair: Obviously, I guess the ultimate goal is that two-way service so people can get from Toronto to Waterloo region and vice versa; people can get from Waterloo region back to Toronto at night. That's the ultimate goal, but the model that we frequently follow is Silicon Valley in California, where Silicon Valley is drawing from a pretty big area. I think that's the plan we have for Kitchener-Waterloo, Guelph and Toronto: that we have a connecting infrastructure that allows people to move in those three sections.

The Chair (Ms. Soo Wong): Mr. Sinclair, thank you very much for your presentation and your written submission. Thank you for being here today.

SERVICE EMPLOYEES INTERNATIONAL UNION, LOCAL 2

The Chair (Ms. Soo Wong): Our next presenter is the Service Employees International Union: David Bridger, the vice-president of Local 2. Good morning and welcome. Mr. Bridger, you have 10 minutes for your presentation, followed by five minutes of questioning. This round of questions will come from the official opposition party. You may begin any time. Please identify yourself as well as your position for the purposes of Hansard. Welcome.

Mr. David Bridger: Good morning. My name is David Bridger. I'm the vice-president of the Service Employees International Union, Local 2. I'd like to thank you for the opportunity to appear in front of you this morning and bring you, in particular, the perspective of front-line brewery workers in Ontario working in the Ontario beer industry in London.

The Service Employees International Union is probably best known in Ontario for health care; however, we have a number of locals that represent a number of members in a whole host of sectors and industries, public and private, in Ontario and across the country. In particular, we have a proud history of representing members in London that work at the Labatt brewery.

That brewery was founded in 1847, and the people who work there obtained the union charter in 1907. Currently in London, the SEIU represents at the brewery 230 full-time employees and an additional 50 temporary employees. We are proud of our members there and are proud to be part of the community where most of our members live and raise their families.

When we look around the London area we know that the London economy has been hit pretty hard in the past few years, and parts of it have faced significant challenges. We've seen this first-hand in our other members' workplaces in the community, but Labatt has been an unusual success story in manufacturing, and it continues to be a big part of the agri-food economy in Ontario. We've held our own, and that has been in the face of an overall decline in the amount of beer being consumed in the province.

You'll understand that our members have been following the debate over the beer industry in Ontario with considerable concern. I'd like to relay to you that they are very concerned that the government of Ontario, being egged on by a media campaign, may make some serious mistakes: mistakes that would harm both our province and the livelihoods of our members right here in London.

Let me begin with our first concern, which is about the social implications of this debate. We're worried that the idea that the beer that we make needs to be sold in another 10,000 stores in this province: in every corner store, every Loblaws, every Walmart and every Costco. We love beer and we love to bring the products to the marketplace that we can bring, but these are alcoholic beverages. We also know, being representatives of our workers, what the other side of that coin is, and we would stress that it needs to be sold carefully, responsibly and in moderation, in every sense of the word. That being so, we urge you to ignore the privateers, dismantlers and hucksters promising to open new alcohol stores everywhere, on every corner and every street in this province.

I have the privilege of chairing a national committee called the Canadian Brewery Council, which comprises a number of unions that represent all the workers in most of the breweries across the country and also the distribution in a number of sectors across the country.

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We've seen what they've done in other provinces. We've seen the downside to that. What they have done in other provinces and whatever arguments they've made there, we would ask the government to continue to do it the Ontario way here in Ontario, and that means in moderation. Selling beer through the Beer Store and the LCBO achieves that goal.

Our second concern is based on the concerns of our members and what it directly means to them. Let me put the matter directly: Our workers don't deserve to be punished as a part of a change to the way that beer is sold in this province. They don't deserve to have additional burdens placed on them or for the province to arbitrarily take steps that make it harder for those of us who brew and package beer in London to compete with other breweries in other parts of the province.

As people who brew beer and make some of Canada's most popular beer brands right here in this community, we know the business very well. The truth is, in Ontario, beer is already very highly taxed; 44% of the price of beer in Ontario is taxed, and that comprises the main reason why in New York or Michigan it's much less expen-

sive to buy beer than it is here in Ontario. We realize, however, that that supports our communities, schools, hospitals and services that we depend on, but the high taxes also have an impact on price.

As new costs are contemplated for the beer industry, or even the beer industry where we work, we think this could have significant repercussions and consequences for us and elsewhere either through higher prices, more pressure on front-line workers like our members, or both.

I'll conclude by saying the following: We're proud of the community that we live and work in. We're proud of the work that we do. We're proud of the products that we brew, bottle and distribute, in one of the oldest companies in the country.

It hasn't been easy on this community in London. You heard his honour, Mr. Brown, speak about the unemployment rate, which has gone down in the last few years—it was much higher—but London has seen tough economic times. We all hope there are better days ahead.

We are encouraging the government not to make Ontario's social problems worse with an ill-considered, out-of-control dismantling of how we manage alcohol in this province. Don't make it harder for businesses like Labatt to invest in our community—that provides for our members—and don't arbitrarily tilt the playing field in favour of brewers in other parts of the province by charging them less and charging us more. Ultimately, this hits our front-line workers. In the beer business we've already seen year-over-year declines, so this makes continuing to do what we do very tough. We're already working very hard to partner with our employer and keep our work here in the city. Thank you.

The Chair (Ms. Soo Wong): Thank you very much. For this round of questions, Mr. Arnott, do you want to begin the questioning?

Mr. Ted Arnott: Thank you very much, Mr. Bridger, for your presentation. We found it very interesting and helpful. I just want to ask you, are you in favour of the status quo in terms of the retailing of beer in the province of Ontario, without any changes?

Mr. David Bridger: I think when we look at the overall structure, you can look at the system and how it works. I would suggest that any system can afford to be evaluated. We wouldn't just say that it has to be entrenched in a status quo, but I think that within the confines of the way that the system is currently set up for the distribution of alcohol, and having had many discussions with my peers in other provinces where they have a very different situation, we know very much what that means. For us it's mostly not a good-case scenario when it's completely dismantled, and what it means socially, the implications for the province, and would they do it—and then what it means for the employers where our members work, overlaying significant additional costs for distribution in other parts of the picture.

From our perspective, we always look at this as a two-pronged approach. We're always concerned about the social implications of it first, and secondarily, also, the

partnership and what it would mean with our employers, for a significant change.

Mr. Ted Arnott: So the Beer Store currently has a quasi-monopoly on the retail sale of beer in the province of Ontario, and of course the LCBO sells some beer, I think in six-packs, but nothing larger; I believe that's correct. I guess the public policy question is, going forward, is it in the public interest to continue this quasi-monopoly, and whether or not it should be broken up to allow further competition of some sort. Would that be in the public interest? What would you have to say to that data?

Mr. David Bridger: From our perspective, I would suggest the fact that 44% of the cost of beer is already taxed is a significant amount of dollars coming in to support the community through all the different areas where that money gets distributed, and it's a significant amount of money. This is a balance. We can talk about privatization and what competition would mean if it's not a quasi-monopoly, but we would also talk about the other pressures that would bring—possibly pressures on lowering the tax rate and others—in a non-quasi-monopoly situation. I think there's a bit of a symbiotic relationship there where we feel comfortable that we have a good handle on distribution as far as the social implications go, but we also feel that there's a significant benefit there for the province to continue to do it the way that we're doing it, at least within the current model of retail.

Mr. Ted Arnott: Am I correct in assuming that you would suggest that any increase in beer taxes would simply be passed along to the consumer, increasing the end cost of a case of beer?

Mr. David Bridger: I may take a different view, being a union guy rather than a corporate guy as far as how this would play out, at least in the PR realm, but our sense would certainly be that if there is an increase, somehow it will find its way passed down to our front-line workers in the way of either diminished benefits and/or wages to compensate, which means diminished ability to spend in the community, or somehow passed on to the consumer in some way.

Mr. Ted Arnott: The government is floating the idea of bringing in a so-called franchise fee of some sort—their words—with respect to individual Beer Stores, although they haven't really said what that means or how that would work. What's your assessment of that idea from what you know, and what would you advise the committee to recommend?

Mr. David Bridger: I won't comment on that because I don't know that I had enough discussion to talk about what that would particularly mean. We haven't contemplated that on our end.

The Chair (Ms. Soo Wong): You've got one more minute. Mr. Fedeli?

Mr. Victor Fedeli: You talked about beer being available in Beer Stores and LCBO outlets, but there are 218—if my number is correct—other places across Ontario that you can—I know that in my riding of Nipissing,

if you wanted to drive towards Quebec and you come to the Ontario community of Eldee, there's a gas station in Eldee that sells beer and wine. How would you categorize them? You used a couple of words to describe them earlier. Would they be part of that grouping?

Mr. David Bridger: Yes. We've seen some creative exceptions be made, or at least models where, in smaller communities, a Beer Store or LCBO is combined with other services. Sometimes it could be a gas station, but there could be other locations where, out of the 218, they're combined with another business or another function that's going on in the community. I think exceptions like that, so that the community is getting service in a reasonable way, are fine. I think it's sensible. Saying that you have to have this one-size-fits-all solution within the confines of the Beer Store or LCBO—

Mr. Victor Fedeli: So there are opportunities, then? You called them hucksters earlier. I was just trying to put the guy who owns the gas station in Eldee—I just want to know what category he falls into.

Mr. David Bridger: I think about my colleagues in Quebec and Alberta and I think about my trips to Alberta and Quebec and seeing what goes on there. I would believe that some of them are hucksters in what actually goes on in the way of back-door negotiations for what product sits where and who gets what. It enters into a whole bunch of complexities on the business front that I think is somewhat shadowy, and then on the social front becomes very complicated. I think we've seen a lot on retail store sales, cigarettes and others that give you—

The Chair (Ms. Soo Wong): Thank you, Mr. Bridger, for your presentation. If there's any written submission, please submit it to the Clerk by Friday at 5 p.m.

Mr. David Bridger: Thank you.

CANADIAN MENTAL HEALTH ASSOCIATION MIDDLESEX

The Chair (Ms. Soo Wong): Our next presenter is Canadian Mental Health Association Middlesex. I believe it's Mr. Don Seymour, the chief executive officer, along with Laurie Gould and Heather Bishop. Welcome. Please come on down and sit anywhere near the microphone.

As you heard, you have 10 minutes for your presentation, followed by five minutes of questioning. This round of questions will begin with the third party. You may begin any time. Please identify yourself and your position with Canadian Mental Health Association Middlesex.

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Mr. Don Seymour: Don Seymour, CEO, Canadian Mental Health Association Middlesex.

Ms. Heather Bishop: Heather Bishop, vice-chair of the Canadian Mental Health Association, and also a parent of a child with a mental illness.

Ms. Laurie Gould: Laurie Gould, chief clinical officer at London Health Sciences Centre.

Mr. Don Seymour: Today is Bell Let's Talk Day about mental health, so let's talk about mental health for

the next 15 minutes, please. It's a bit of irony that we're here on this day to talk about mental health, but we're very pleased for the opportunity.

If you've been watching the headlines in London, you know the conversation around mental health in the last few weeks, indeed, the last couple of years, has been bleak. It's the only way to describe it. Some people are saying we have an epidemic of mental illness. My colleague Laurie will speak more about the issues they're dealing with at the hospital in just a minute, but the fact is you've heard that London is in tough with high unemployment. The number of people on Ontario Works for the last number of years has been stagnant at about 10,000 people. High-paying jobs left the community, and jobs that have come back to London tend to be minimum wage service jobs.

The World Health Organization says that people living in poverty are twice as likely to have mental health or addictions issues, and London is proof positive of that very sad statistic. The only way we're going to turn this epidemic around is with new resources invested. We know that the Ontario government is in tough, and you have to make tough decisions. We know that part of the work of this panel is to look at how to reduce the deficit. The only way you're going to reduce the Ontario deficit is if you invest in community-based mental health and addictions services. Those services tend to be less expensive, tend to divert and tend to be more holistic in terms of their approach. Put money upstream and you will avoid those expensive services downstream.

We are not understating that this community is in crisis right now, in crisis in the community, in crisis at the hospital. With that, I'll pass the microphone over to my colleague Laurie.

Ms. Laurie Gould: Thank you. London Health Sciences, I would suggest, in our mental health area, has been in a crisis as well. For the past year, we have been running at 114% capacity, and that's for our acute care patients. We are a tertiary and quaternary acute care hospital—114% capacity for our mental health patients. On any given day, you can go down to our emergency department and find anywhere from seven to 14 patients sitting in the emergency department, waiting for an inpatient bed.

One has to ask the question, why? Is it because we don't have enough services—social services, support services—in the community? Or is it that people are just so sick that they need the acute care? I would suggest it's both. We do have people who need acute care, but I do want to highlight one individual. This is a story of a patient that we had.

We had a gentleman who in one year came to our hospital emergency department approximately 273 times; so, in one year, 273 visits to the hospital. This was an individual who had addiction problems, who had medical problems and who had mental health problems. In those 273 times, you can imagine the cost to the system: seeing a doctor, seeing a nurse, getting support services and whatnot.

We eventually got supportive housing for this gentleman. We had a community agency that stepped up for us and gave this individual supportive housing. In a few months, he went from a visit every day to two visits in a year. We went from 273 visits, approximately, to two. Why? Because he had a home, because he had the support he needed out in the community.

Acute care hospitals are for acute care patients. Now, in London, we're faced with an economic crisis. We've seen people with homelessness. We're seeing an increase in unemployment, which creates stressors. We've seen a huge number of patients with addiction issues. Crystal meth is an addiction issue.

I learned yesterday, surprisingly—and this is new to me—that there was a change in the recipe for crystal meth—

Interjections.

The Chair (Ms. Soo Wong): Excuse me. Gentlemen, can you move your conversation—gentlemen? Mr. Fedeli, can you move your conversation further back?

I'm so sorry. I'll give you an extra minute, because we cannot have this interruption for a presentation. I apologize. Ms. Gould, you may begin.

Ms. Laurie Gould: Thank you.

The recipe for crystal meth has changed, unbeknownst to us. What's been happening is, now, people who are taking this drug have actually become violent. They go into the emergency department coming down from their high, and they're sick. Because there's nowhere for them to go out in the community, what's happening is we're admitting them into our hospital because we can't send them away.

What we're starting to see in the hospital is sick patients and violent patients. In addition, we're seeing elderly demented patients who are coming into our hospital, but they have nowhere to go. They need spots out in the community that are safe for them. Until we find these violent demented patients a home out in the community and give them support, they end up in our emergency department and then in our mental health unit for days, months and, I would say, years.

As a system, we're working well together, but at LHSC, as you can tell, we're at full capacity. We've invested above our budgeted resources in order to support these needs, but we've become a stopgap in the community.

I think it's so important that we work with our partners, and we've worked as well as we can, but also that we start investing in a system to keep people out of the hospital, to provide acute care when they need it the most and to provide the right care when patients need it the most. In order to do that, we need to start investing upstream and focusing on what's really important to people—housing; support services; and resources where they can go to at different times so they don't get worse and end up in the hospital and then stay there.

Ms. Heather Bishop: As I said, I'm Heather Bishop. I'm the parent of a child with mental illness. She's actually turning 19 tomorrow, something I cannot believe.

She was diagnosed with a mental illness when she was seven years old. In spite of her age, we've been part of this system for a very long time. I've been on the CMHA board for more than four years now, and I can tell you that it has been an incredible journey sorting through the intricacies of adult mental health. We're very fortunate in that my daughter had a diagnosis prior to entering the system, and she had been diagnosed for a very long time. But many young people end up being diagnosed when they're in their teen years, and that transitional phase is a very difficult time. Often they have difficulties with their parents, and these are the young people who end up homeless, couch surfing, unable to find the services that they need to help them.

I run a parent support group, and I hear stories from parents all the time. I get calls from parents all the time: "Where do I get services? How do I get them?" Many parents are looking for services before their children are reaching a crisis point, and it's difficult for them to attain that help beforehand.

I think we've heard about some of the issues facing our hospitals and the CMHA. One of the things that we have noticed is that there have been investments in community mental health, but in spite of those investments, our wait-lists have doubled over the last number of years. That speaks to a much greater need.

I think that the state of the economy in London is an issue here. As I say, young people are feeling very disenfranchised. On top of that, they are increasingly demonstrating high anxiety, depression—things that need help, and we need to help them through that. But unfortunately, they're having to reach a crisis point before they can get the help that they need, and then they're ending up in hospitals and in acute care because of that.

I would like to see a system where people can access care when and how they need it so that we don't have to reach a crisis point before people can access care, where people don't have to get as sick as they've been getting. I'd like to see more emphasis on prevention at a younger age, helping these transitional-age people get help they need so that they're not homeless when they're 30 years old and so that they're able to function in our society and to learn how to deal with their illnesses.

I'm proud to tell you that because of the interventions my husband I were able to acquire when my daughter was younger, she's on her way to probably going to university in a couple of years. She's in grade 13 this year, and she'll be doing grade 14 next year, but she has plans to apply to university and get a degree. That's something, quite frankly, that nine years ago I didn't think was possible.

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The Chair (Ms. Soo Wong): Thank you very much. This round of questioning—Ms. Sattler, do you want to begin?

Ms. Peggy Sattler: Yes. Thank you very much.

Thank you so much for that incredibly powerful and compelling and urgent presentation.

London is in crisis. We've seen that in the London Free Press over the last little while. But this isn't a London problem. This is a provincial, even national, problem.

I wondered if you could talk to us a little bit about what needs to happen to address this issue on a provincial basis. You mentioned the need for supportive housing, and there's all kinds of great evidence coming out of the US and elsewhere about the effectiveness of housing-first approaches. Do you have some specific recommendations of what the province has to do to implement an effective housing-first strategy?

Mr. Don Seymour: Absolutely, and you've started, through the Ontario Poverty Reduction Strategy, but we fear it's coming too slow.

The fact is, if I could speak for the community, we support 2,000 people in London and Middlesex, Exeter and Goderich in various services, including housing—400 people in housing. Those people don't show up at the hospital, because they're getting the supports they need.

When we're talking about supportive housing, you've got agencies in London that are working together that have shifted a lot of their resources over towards a housing-first approach, housing with supports. Those supports are based on the needs of the individual. It's not just throwing people in a house and saying, "You've got a house. Everything is going to be better." Whether it's a psychiatrist, a recreational therapist, an occupational therapist, a personal support worker—whatever the supports that are needed, those go into housing-first.

We operate one program, for \$350,000, where we've integrated 20 people into a very large apartment building here in London. That program supports 20 people for \$350,000 a year, or less than \$50 a day. It's not expensive if you compare that to those expensive services that a hospital has to provide when people go into crisis or are acute.

You need to look at the whole basket of community services for people with mental illness or addictions. It's not just housing first; it's those community programs—vocational, employment, leisure and life skills. Those are all the things that people need to stay in recovery so they never end up going back to a hospital.

People transition. Through the regional divestment initiative, people transitioned out of regional mental health care who had been in the hospital for decades. It costs \$900,000 a year to support 10 people. That might sound very expensive, but those same 10 people cost \$4 million a year to support in a hospital setting.

The solutions are there. The issues are complex, but the solutions are there.

Ms. Peggy Sattler: I wanted to follow up on some of Heather's comments. It's just so wonderful to hear about your daughter's success. Unfortunately, not all young people have parents who can advocate the way that you have been advocating every step of the way for your daughter.

I wondered if you could talk a little bit about the kinds of investments that are needed to support young people

so they don't have to get into crisis before they can access services. I'm thinking particularly about supports, perhaps through the school system, and how those kinds of services can be strengthened to support young people like your daughter.

Ms. Heather Bishop: Thank you. I believe very strongly in the need for more services at the school level, particularly in high schools. I think in elementary schools too, there needs to be more training for educational assistants.

Something I didn't speak to but can touch on a little bit is the impact on families of having children with mental illnesses. I've seen so many parents struggle with mental illness because of the pressures of dealing with their own children with mental illnesses. We see job loss due to lack of care for those children. We see parents who are entering hospitals and having to have acute care provided because of the stress of dealing with these situations.

I think more educational assistants would certainly make a huge difference at the school level, but also the introduction of more social workers and people who can help young people to find their way, find supportive housing when they need it. A lot of these kids end up getting kicked out of their homes because the parents can't support them any longer.

The Chair (Ms. Soo Wong): Ms. Armstrong, do you have a question?

Ms. Teresa J. Armstrong: Yes, thank you. I want to congratulate the CMHA for their recent proposal on the 24/7 clinic that they're going to present. So I just want to ask you a little bit about, for the record, how that is being received by the government and what the timelines are.

Mr. Don Seymour: The timelines: We're hoping to have it open in September. But we plan, in the health system, in a vacuum. You come up with a plan and the solution and then you apply for the various funding streams. At this point, we've engaged an architect. We're hoping to have the building renovations start by September. That's entirely dependent on the health capital investment branch approving the proposal. We're still short \$1.4 million in operating funds.

How important is this? The default mechanism, as Laurie said, is the ER. A walk-in 24/7 mental health and addictions crisis centre with eight to 10 stabilization beds for non-acute mental health and addictions crisis will take pressure off the hospital. In less than five days, we diverted 11 people in a five-bed stabilization space we've set up through the crisis.

Ms. Teresa J. Armstrong: Quickly, do you have any suggestions on how you can help this government move this a little quicker for you or are there ways that the government can help you to get what you need accomplished to get this treatment centre in place?

Mr. Don Seymour: We need oxygen. We're not going to go away at this point. We're not going to be embarrassed to ask for money for people in need. So \$1.4 million sounds like a lot, but it's not, when you look at how many people we can divert. The renovations will be

under \$1 million, and we will create a state-of-the-art community pressure valve for folks in need.

Ms. Teresa J. Armstrong: Because of the crisis that we're facing, are there ways that the government can assist in getting this moved a little quicker along for you?

Mr. Don Seymour: Fast-track health capital investments and work with our local health integration network to help with the priorities for investment for community-based services.

The Chair (Ms. Soo Wong): Thank you, Mr. Seymour, and thank you to all the presenters for being here today.

FAMILY SERVICE THAMES VALLEY

The Chair (Ms. Soo Wong): Our next group is Family Service Thames Valley: Louise Pitre and Brian Phillips, I believe. Good morning; welcome.

Ms. Louise Pitre: Good morning.

The Chair (Ms. Soo Wong): As you heard earlier, you have 10 minutes for your presentation, followed by five minutes of questions. Come up and have a seat. This round of questions will be from the government side. Please identify yourself and your position with Family Service Thames Valley for the purpose of Hansard. You may begin any time. Thank you.

Mr. Brian Phillips: Thank you. I'm Brian Phillips. I've been involved with Family Services at the board level for several years, and I currently have the pleasure of being the board chair. My wife believes that's a sign of how desperate the group is; I like to think otherwise.

Louise?

Ms. Louise Pitre: No, I'm trying to set up the presentation—

Mr. Brian Phillips: Just introduce yourself for Hansard.

Ms. Louise Pitre: Okay. My name is Louise Pitre. I'm the executive director of Family Service Thames Valley, and also a member of the provincial organization Family Service Ontario.

We're trying to locate my presentation, so if I could just give some guidance for one moment.

Thank you very much to the all-party Standing Committee on Finance and Economic Affairs, and to the Ministry of Finance staff and MPPs. We're really grateful to have the opportunity to offer two mental health solutions for two very vulnerable groups: folks with mental health and addiction issues and male survivors of sexual violence.

You've already heard from the CEO of CMHA and the folks from London Health Sciences Centre and—what's next here? There we go—so you've already heard about the overcrowding in our emergency departments; you've already heard about some of the system issues that are being experienced in health care; and you've already heard about lots of the headlines here in London. As my previous colleagues have mentioned, the emergency departments have become the default point of entry of care for folks who have mental health and addic-

tion issues, whether they're mild, moderate or complex or in crisis. This leads to increased costs, increased wait times and, really, an inappropriate use of Ministry of Health dollars.

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We have a solution. The solution that we have is to divert people with moderate mental health and addiction issues away from expensive emergency department services and toward quick-access mental health walk-in counselling services.

Not all mental health issues require medication. Not all mental health and addiction issues require years of counselling. Not all mental health issues require psychiatric care.

We have a study that we did—this was conducted throughout the province by family service agencies who have counselling programs—most of us have counselling programs—where the effectiveness of counselling was demonstrated. The results showed that there was a 69% improvement in overall functioning—and I'm not moving this. Oh, I am moving the slides. Okay. It's showing up different here. Sorry.

What some folks with mental health and addiction issues—the mild to moderate—need is easy, inexpensive and quick access to mental health and addictions counselling services.

Interjection.

Ms. Louise Pitre: Thank you, Brian.

What are quick-access mental health walk-in counselling services? In Ontario, there are already three LHINs that have invested in this strategy: the Champlain LHIN, the North East LHIN and the North Simcoe Muskoka LHIN. What we have found is that we are able to decrease emergency department wait times, decrease psychiatric wait times and increase access to proven non-medical services that work.

You've likely already heard, that one in five people experience a mental health problem in Ontario—this isn't going away—and that the Ministry of Health spends more than \$2 billion each year on acute care, drugs and community services related to mental health and addictions problems.

Family Service Ontario—because we're here on behalf of Family Service Ontario—is asking that the Ministry of Health provide funding directly to the LHINs specifically to divert people with mental health and addiction problems away from expensive emergency department services and toward quick-access mental health walk-in counselling services offered by community-based family service agencies.

We've already got the infrastructure to do this. We already have three examples that are being funded by the LHIN and are having some success. Some of us, including Family Service Thames Valley, have been around for 75 years.

The second issue: male survivors of sexual violence. You may or may not know that at the end March 2015, the funding that the Ministry of the Attorney General had identified for male survivors of sexual violence will

come to an end. We need sustainable funding for male survivors of sexual violence. One in six men will, before the age of 18, have experienced sexual violence. One in six men will suffer in silence because, in our society, it is not cool to be a man who shows emotion, who discloses sexual violence.

We know, based on the number of men whom we have served at Family Service Thames Valley—and on a yearly basis, we have about 100 men that access our services—that we make a difference in their lives, because they tell us that they can live another day, because they tell us that they have their lives back, because they tell us that they're now able to stay employed.

In December 2009, you had the Cornwall inquiry, which made recommendations that male survivors of sexual violence receive support services. In September 2011, MAG came forward with a three-year pilot. So we're still in a pilot phase. It was extended.

We have served, so far across the province, almost 2,800 men. As of March 31, this funding is coming to an end. There's no guarantee that it will be renewed.

Here, locally, FSTV was told in early December by our lead agency that our money was running out because we had used it all. Consequently, I had to stop offering some of the services that we were offering to male survivors of sexual violence, and I had to move a group to the next fiscal year.

What we're asking is that the government provide agencies that deliver this program with an initial \$2 million in annualized funding and engage in a consultative process to further assess the real costs of providing the service across the province.

Just a couple of more slides.

Family Service Ontario member agencies serve over 250,000 people across the province. We're kind of like the family doctor of social services. Whereas the family doctor is the person you go to see to figure out what's going on, often for the people who come to family service agencies, the role that we play is a role of supporting initially and then helping them move through the different systems.

I have to put in a little plug for Family Service Thames Valley. We're celebrating 70 years. We've had 70 years of community impact, and we've had a tremendous impact. We've likely served over half a million people and, in that process, have been part of the mental health response, certainly for people with mild to moderate mental health. We've been able to achieve a lot of success and improve the health of our community.

Thank you.

The Chair (Ms. Soo Wong): Thank you very much. This round of questioning will begin with Ms. Albanese.

Mrs. Laura Albanese: Thank you for your presentation. I will start by congratulating you for having been in the community for so long and providing such great care for the residents of your area.

Ms. Louise Pitre: Thank you.

Mrs. Laura Albanese: You bring forward some very important points. I'll start with the quick access to the mental health walk-in counselling services.

I just wanted to point out also that I was Chair of the Select Committee on Developmental Services, and so was our Chair, Soo Wong—we were two of the members who toured the province, trying to see how we could solve the crisis that is there.

We heard from many families. We were very heartened when the government decided to make this unprecedented, if you will, investment of \$810 million over the next three years. We do realize there are a lot of wait-lists that need to be addressed, but it is a considerable investment. We're also trying to assist people with developmental disabilities in their employment journey and we're trying to assist the front-line workers. That doesn't mean that there isn't more work to do.

You mentioned that these walk-ins are already working in three LHINs, so you would like to see this across the province. That's basically your ask. Is that right?

Ms. Louise Pitre: Yes, it is. It is our ask. There's a precedent set. There are outcomes. The ask is for the funding to be directed to the LHINs, to be directed to the family service agencies. Right now, not all family services receive funding from a LHIN. If you're not at the table, therefore you're not part of the response, the overall systemic response, to mental health. The Ministry of Health and the LHINs hold a big chunk of money, right?

This is another way for us to contribute in an inexpensive way to a solution. It complements what you've already heard. I'll just leave it at that.

Mrs. Laura Albanese: I'm sorry, I don't know, but are family services present in each LHIN in the province?

Ms. Louise Pitre: Yes. Family Service Thames Valley has Middlesex county, Elgin county and Oxford county. There are family service agencies in Stratford, so in Perth county you have family services, and in Chatham and Sarnia. So, yes, in every LHIN there would be at least one family service agency, if not more than one.

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Mrs. Laura Albanese: Okay. In regard to the male survivors of sexual violence, we heard a similar presentation also in Cornwall, where this was brought to our attention. My understanding is that there is this pilot that has worked very successfully, and now that's coming to an end in March of this year. So you haven't received any word on whether the funding will continue or not?

Ms. Louise Pitre: No. Correct.

Mrs. Laura Albanese: Correct? Okay.

Ms. Louise Pitre: And so that makes it very difficult for planning purposes. We're not going to close our doors to male survivors, so then we end up either with a deficit or we end up looking for dollars and trying to figure something else out, but it's not a systemic approach. It's a fly-by-the-seat-of-your-pants approach, and I'm sorry, but I've come from the rape crisis centres, and male survivors of sexual violence deserve support. This is not the way to do it.

Mrs. Laura Albanese: Well, it's good that we had a pilot.

Ms. Louise Pitre: Yes.

Mrs. Laura Albanese: That means that we're investing into the idea, if you will, and we hope to see that expanded so that—that, I believe, is your ask. Have you seen an increase in males that are surviving sexual violence?

Ms. Louise Pitre: What we're seeing in our community—I don't know about other communities, but in our particular community we are seeing more male survivors come forward.

The Chair (Ms. Soo Wong): Thank you very much for your presentation, and thank you for your written submission as well.

LABATT BREWERIES OF CANADA

The Chair (Ms. Soo Wong): The next presenter is the Labatt Breweries of Canada: Chris Morley, senior director of corporate affairs. Mr. Morley, welcome. Can you please find yourself a chair in front of the microphone? You know the drill, Mr. Morley. You have 10 minutes for your presentation, followed by five minutes of questioning from the committee members. This round of questions is from the official opposition party. Can you please identify yourself for the purpose of Hansard? Thank you.

Mr. Chris Morley: Great, thank you. Chris Morley, from Labatt Breweries of Canada. Thank you for the opportunity to speak to you today.

Labatt Breweries of Canada has its origins in this city of London. Back in 1847, John Kinder Labatt began brewing beer on the banks of the Thames River not far from where we sit today. Today, our biggest brewery in Canada sits on the same site and is home to 400 employees who brew, package, distribute and sell our beer. Those London-based workers are joined by another 600 across the province: hundreds of them at a distribution warehouse in Mississauga and hundreds more at our national head office in Toronto.

As a company we support the provincial economy by purchasing a significant amount of goods and services from other Ontario companies. Across Ontario there are over 1,300 Ontario companies that form our supply chain. We buy everything from marketing services to cardboard for beer cases to trucking services from Ontario companies.

We're proud to be a big part of London's community, to be a cornerstone of the agri-food manufacturing sector in southwestern Ontario and to be a major part of the Ontario economy.

Representatives from the SEIU spoke to you a short time ago about their role in our local operations and to bring the perspective of our workforce to the debate about how alcohol is sold in the province. Today I want to complement what they offered by focusing on three points.

First, I want to emphasize that Labatt has hundreds of millions of dollars invested in our province. We have played by the rules and invested heavily in our province, both as a brewer and as one of the three owners of the Beer Store, which employs 7,000 people in every corner of the province.

The beer retail system in Ontario has always been evolving ever since it was first designed in 1927. It evolved through the latter half of the 20th century as consolidation happened in the industry. It's now evolving again as new brewers, many of whom did not exist three, five or 10 years ago, are being welcomed into the Beer Store as owners.

All Ontario small brewers now have the opportunity to become owners. They would pay less than Labatt itself pays to sell our own beer in the Beer Store and they would have complete transparency into our operations and financial statements. Through all this evolution, Labatt has invested heavily and counted on a stable investment climate to plan ahead.

My second point is this: Be conscious of unintended consequences. Here's an example. If the government pursues one of the policy options that has recently been talked about in the media—charging a tax to Labatt, Molson and Sleeman for its ownership of the Beer Store—there are consequences of that policy across the industry. For example, beer brewed less than a kilometre away from here by Ontario workers at the Labatt brewery would be subject to a higher tax rate than beer brewed by other companies in other parts of the world. That's right: higher taxes on London-brewed beer than beer brewed in other parts of the world. Intended or not, that is a consequence of adding to Labatt's tax burden, uniquely.

While other global companies who do not own the Beer Store would pay one set of Ontario taxes for brewing beer in Europe or the US, Labatt, who brews beer less than a kilometre from here and employs local workers, would have to pay an additional tax on its operations.

My third point is this: We believe that the government has a role to play in supporting the growth of locally made beer, but it's up to consumers to decide which beer they want to buy. Here's something that may surprise you: Budweiser, made right here in London, was the top-selling beer in Canada in 2014. Fully 45% of what we brew in this city is from the Budweiser or Bud Light families. There are a lot of jobs that depend on the sale of Budweiser in this province.

It is, of course, entirely appropriate for the government to try to encourage domestic brewing and to pursue policies that are good for all Ontario brewers, but we do think the focus should be on helping the growth of local production, not on trying to decide what brands people should drink or who makes them.

Here's one idea that the government could pursue to encourage growth of the domestic brewing industry. Despite what you might read in the headlines, the Beer Store sells a far higher percentage of locally made beer than does the LCBO. In the Beer Store, 89% of what is

sold is made by Canadians, the vast majority of that by workers in Ontario breweries. But how does the LCBO score in supporting Canadian breweries? Not nearly as well. While 89% of what is sold in the Beer Store is brewed by Canadians, only 59% of beer sold in LCBO six-pack stores is brewed in Canada. That's because the LCBO has made a conscious decision to market itself as the home for international beer. I encourage you, the next time you might find yourself in an LCBO, to just take a look around. You'll notice the number of brands that are not brewed in Canada. To be frank, it massively skews towards international brands.

We believe that the LCBO should increase its share of locally made beer. That would be good for local brewers and good for Ontario's overall economy. If the LCBO made some changes to its operations to better support local brewers and essentially bring Ontario up to the national average of domestic versus import, that would mean an additional four million cases of beer brewed right here in Ontario, which would be good for the overall economy.

In summary, I appreciate the opportunity to appear before you today. We're proud of the role we play in London's economy and the role we've played in the city's history over the last 170 years. This is our home. We've made investments broadly across the province, we've played by the rules, and we continue to successfully brew many of Canada's top-selling beers.

As you prepare your recommendations for the 2015 budget, I encourage you to support all Ontario brewers and to continue to support a retail system that offers a wide selection of brands and low prices to Ontario consumers. Thanks.

The Chair (Ms. Soo Wong): Thank you very much. Mr. Arnott, do you want to begin the questioning?

Mr. Ted Arnott: Thank you very much, Mr. Morley, for your presentation. I have to ask you about one of your statements: "If the government pursues one of the policy options that has recently been talked about in the media—charging a tax to Labatt, Molson and Sleeman for its ownership of the Beer Store—there are consequences of that policy across the industry." They wouldn't call it a tax, would they? They'd maybe call it a premium or something like that.

Mr. Chris Morley: I have some familiarity with that type of language. Again, these are things that have been floated in the media. As we started to look through it, SABMiller, which is launching in Canada in the spring; Carlsberg: Their beers are not brewed here. Those are big global companies. They have a very little domestic workforce, and they would essentially be paying a reduced tax burden versus Labatt, who happens to brew right here in London.

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Mr. Ted Arnott: The Beer Store recently announced changes to its way of doing business, I think in response to some degree to the public debate. You indicated that the opportunity for ownership now exists for craft brewers.

Mr. Chris Morley: Yes.

Mr. Ted Arnott: Have any taken up the offer? What have you heard? I read some media reports; some of them were not that enthusiastic with the offer.

Mr. Chris Morley: Yes. There are two changes that have been announced. The first is that all Ontario small brewers, regardless of whether they become owners or not, can list two products in the five Beer Stores closest to their brewery. The president of the Beer Store has been leading discussions with, to be frank, dozens of brewers, most of whom have never listed in the Beer Store before, who are excited about taking up that opportunity, because essentially while they would be selling from the retail store at the brewery right now and would be fighting to get into a couple of local LCBOs, this would give them access to five other stores. The receptivity to that has been quite good.

On the ownership option, a number of brewers have signed non-disclosure agreements to do the due diligence on the financial statements. Those conversations are ongoing. In fairness to them and to the Beer Store, a process of people looking at what they would be buying into is—it's a \$300-million-a-year operation in terms of the revenue inflow and outflow. It's going to take some time for them to do that.

I would say that the feedback we've had from brewers has been far more positive than what you might read in your daily clippings package.

Mr. Ted Arnott: We heard from the service employees union just before you came in—I think you were here to hear it—that about 44% of the retail cost of beer in Ontario is tax. Would you concur with that? Is that Labatt's number as well?

Mr. Chris Morley: Yes, that's based on research done by an economics company called Navigant Consulting. They looked at all beer sold in Ontario for 2013 and half of 2014 and that's what they found: that 44% of the price of beer is tax. Roughly 35% of that goes to the provincial government; the remainder goes to the federal government.

Mr. Ted Arnott: So we would assume that if the government brings in a so-called franchise fee for Beer Stores, that in turn would simply be passed along to the end consumer, causing an increase in the price of beer that has been imposed by the provincial government.

Mr. Chris Morley: Yes. I don't want to speculate on what the government might do because I think there's a bit of difference between what they've said and what, perhaps, some media outlets have said. There are consequences to various aspects of reform, should they go down that path.

One of the benefits of the system right now is that, despite a relatively high tax rate—44%, much higher than in Quebec; much higher than in neighbouring states—prices are actually quite low relative to other provinces. That's because of the efficiencies of the current system.

The Chair (Ms. Soo Wong): Mr. Fedeli.

Mr. Victor Fedeli: Thank you very much. When the Service Employees International Union was here we asked them, "Are you in favour of the status quo?" Let

me ask you the same question: Are you in favour of the status quo?

Mr. Chris Morley: I'd say that the Beer Store has always been able to evolve. In terms of the ownership changes that were announced in early January—and those were worked on for a number of months leading up to that announcement. Just to give you a sense of the history of it: In the early 1990s, because of international trade disputes, the Beer Store was essentially forced to welcome in beer made outside of Ontario for the first time. In the late 2000s, the Beer Store evolved to start building only self-serve stores, which are actually now recognized as quite popular amongst all brewers.

The industry has evolved. In the mid-1990s there was a period of consolidation. There were, to be frank, not many small brewers across the province. Now the Beer Store is evolving through its ownership model. I think it can evolve. The ownership announcement demonstrates that.

One of the things we're looking for as well is—the debate should not just be about the Beer Store because, as you as legislators know, there is a retail system that the crown owns as well. That's a big part of this as well.

The Chair (Ms. Soo Wong): Thank you, Mr. Morley, for your presentation and your written submission.

COLLEGE STUDENT ALLIANCE

The Chair (Ms. Soo Wong): The next presenter is the College Student Alliance. I believe it's Matt Stewart. Welcome, Matt. I think everybody knows we have a change in presentation this morning. Matt, you have 10 minutes for your presentation followed by five minutes of questions from the committee members. This round of questions is from the third party.

I think Mr. Clerk has told everybody that the London Home Builders' Association is not here this morning. They have cancelled. In their place is the College Student Alliance, and that's why Matt Stewart is here.

Matt, you may begin any time, and please identify yourself as well as your position with the College Student Alliance. Thank you.

Mr. Matthew Stewart: Firstly, good morning. Thank you to the Standing Committee on Finance and Economic Affairs for inviting me here to speak today. My name is Matthew Stewart. I am the president of the College Student Alliance, which is also known as CSA.

For those of you who are unfamiliar with CSA, we are a member-driven advocacy organization that proudly serves over 110,000 college students across Ontario. These students come from 18 student associations that represent 14 of Ontario's community colleges. CSA seeks to strengthen Ontario's college system for students in the areas of accessibility, accountability, affordability, quality and transferability.

But that's not the only hat that I'm wearing today. I'm also speaking to you as president of the Fanshawe Student Union, which represents over 15,000 college students.

I'm excited to speak with everyone here today, as it is an important process to further the conversation on Ontario's college system for students. Similar to the current government, CSA believes in providing a world-class college education in an efficient and accountable manner. In this way, CSA mirrors the government of Ontario's commitment to use scarce resources to the best possible effects. As such, I'll be detailing two targeted recommendations to help strengthen Ontario's college system for students.

Please note that I'll outline each recommendation in the following way: First, I will advance CSA's recommendation. Next, I'll detail the issue that serves as the basis for this recommendation. From this, I will briefly outline supporting evidence that serves to substantiate the issue. I will finish each recommendation by detailing the cost of adopting the recommendation.

CSA's first recommendation is to remove the student-owned vehicle asset exemption from the OSAP needs assessment process to better reflect current realities.

The issue is that students who receive OSAP and require a vehicle to commute get less funding if the cost of their vehicle is higher than the asset exemption level. Northern, rural and suburban students are particularly disadvantaged by this process, as public transit is not an option in many communities.

In 2012-13, over 4,000 single students and almost 2,000 married and sole-support OSAP applicants had their vehicles assessed higher than the asset exemption levels. During this year, a higher percentage of northern and rural students received less funding compared to other students as a result of this process. For example, 8.2% of Georgian students and 7.8% of Northern College students who received OSAP had vehicles worth more than the asset exemption levels.

It is important to note that other Canadian jurisdictions have removed student vehicle assessments from their loan programs to better reflect the needs of students who require a vehicle to commute or work while studying. In February 2014, the Canadian government removed the student vehicle assessment from the Canada Student Loans Program, or CSLP. As of November 2014, the government of Saskatchewan does not count a vehicle as a resource when determining loan eligibility.

MTCU has indicated that removing the student-owned vehicle asset exemption will cost between \$17 million and \$20 million. This comprised approximately 0.2% to 0.3% of MTCU's operating expenses for 2014-15.

The second recommendation I would like to outline for the committee is to amend targeted eligibility criteria for Ontario's 30% off tuition grant, or OTG, for aboriginal ancestry students to better reflect current realities.

The issue is that aboriginal ancestry individuals are disadvantaged in relation to particular OTG eligibility criteria compared to other students. This negatively impacts one of two key focuses of Ontario's aboriginal post-secondary education and training, also known as APSET, policy framework, which is closing the edu-

cational attainment gap between aboriginal and non-aboriginal people in the province.

To set the context, it is important to note that trends indicate that aboriginal ancestry students' enrolment in colleges has been decreasing from 2010 to 2013. During the same period of time, all other student enrolment in colleges has been increasing.

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I'll now explain how particular OTG eligibility criteria interact with aboriginal ancestry students compared to all other students. To do so, I'll first treat the specific OTG eligibility criteria and then I'll provide data-based evidence regarding aboriginal ancestry individuals and all other students interacting with these criteria. "All other" is Canadian, international—it spans all other students.

As you know, one of the OTG eligibility criteria is that you have to be out of school for less than four years, or less than six years if you have a permanent disability, or more than four years but less than five years if you are in the fourth or fifth year of an eligible co-op program.

From 2010 to 2013, approximately 33% to 39% of aboriginal ancestry students were 24 years of age or older. At the same time, 20% to 21% of all other students were 24 years of age or older. These figures indicate that a significantly higher percentage of aboriginal ancestry students are entering post-secondary college at the age of 24 years or older. As a result, a significantly higher percentage of aboriginal ancestry individuals are not eligible for OTG funding compared to all other individuals.

The government of Ontario has noted that aboriginal learners continue to experience financial barriers to participation in post-secondary education. The government has also acknowledged that many individuals of aboriginal ancestry enter the post-secondary education system as an adult. As such, this OTG eligibility criterion may inhibit or disincentivize aboriginal ancestry individuals from applying to and enrolling in Ontario colleges. To this end, this particular OTG criterion may act in contradiction to the APSET framework of focusing to close the educational attainment gap between aboriginal and non-aboriginal people in the province.

Another OTG eligibility criterion is that you are to be in a program that you can apply from directly out of high school—for example, an undergraduate level. It is important to consider the program choices by program credential for aboriginal ancestry applicants and students compared to all other applicants and students in relation to the OTG criteria.

From 2010 to 2013, approximately 1% to 3% of aboriginal ancestry students were enrolled in a graduate certificate program. At the same time, 6% to 8% of all other students were enrolled in graduate certificate programs. These figures indicate that a lower percentage of aboriginal ancestry individuals are enrolling in graduate certificate programs compared to all other students. Excluding the graduate certificate programs from OTG funding may disincentivize aboriginal ancestry individuals from enrolling in graduate certificate programs since aboriginal learners continue to experience financial bar-

riers to participation in post-secondary education. As a result, this particular OTG criterion may act in contradiction to the APSE framework, as discussed.

The last OTG eligibility criterion I will draw attention to is parents' gross income. The total before taxes is \$160,000 or less. To apply for the OTG, some individuals must indicate that amount on line 150 of their parents' or parent's tax return if they filed it within Canada. However, many aboriginal people do not file an income tax return; therefore, many aboriginal students are not able to apply for OTG. Moreover, more aboriginal ancestry individuals do not live with their legally defined parents, so it may be difficult for students to access the required information to be able to qualify for the OTG.

The cost of adapting this recommendation depends on future aboriginal ancestry enrolments in Ontario's publicly funded colleges. That said, historically, aboriginal ancestry enrolment rates can be used to help forecast potential costs.

I'll present two aboriginal ancestry enrolment scenarios based on historical enrolment rates to give you an idea of what this recommendation would cost the government.

In the first enrolment scenario, 1,993 aboriginal ancestry students received OTG. This figure is based on the number of students enrolled in 2013, which is the lowest over the past four years. Assuming this number, the cost of adopting the recommendation ranges between \$1.6 million and \$3.5 million.

Enrolment scenario two has 3,680 aboriginal ancestry students. This figure is based on a 50% increase in the number of aboriginal ancestry students enrolled in Ontario colleges in 2010, which is the highest over the last four years. The cost of adopting our recommendation ranges between \$3 million and \$6.6 million.

I'd like to conclude by summarizing CSA's recommendations. The first is to remove the student-owned vehicle asset exemption from OSAP's needs-assessment process to better reflect current realities. Doing so would cost the government between \$17 million and \$20 million, or approximately 0.2% to 0.3% of MTCU's operating expenses for 2014-15.

The second is to amend the targeted eligibility criteria from the 30% off Ontario Tuition grant for aboriginal ancestry students to better reflect current realities. Doing so would cost the government between \$1.6 million and \$6.6 million.

Thanks again for inviting me here to speak today on behalf of CSA and college students around the province. I welcome any questions you may have.

The Chair (Ms. Soo Wong): Thank you, Mr. Stewart. This round of questions is from the third party. Ms. Sattler, do you want to begin the questioning?

Ms. Peggy Sattler: Yes. Thank you very much. That was a very interesting analysis that you provided about the OTG eligibility criteria and its impact on one specific group of under-represented students. Certainly we see that First Nations students or aboriginal ancestry students are particularly disadvantaged by those eligibility criteria.

Are there other groups of students whom you feel are less likely to go on and attend a college education because of the restrictions in the eligibility criteria?

Mr. Matthew Stewart: Definitely. The reason that we focused on aboriginal ancestry students is based on the fact that at the moment, the decrease in their involvement in post-secondary is of the greatest measure.

At present, there are other demographics of students that would definitely benefit were the OTG to be expanded. Our research shows at the moment that aboriginal students are the ones who are affected the most at present. Our research, after this recommendation, would go on to see and research behind what other demographics would benefit from this expansion, but at the moment our research shows this one, and that's why that's our recommendation for this year.

Ms. Peggy Sattler: Okay. Thank you very much. The vehicle asset requirement that's currently in OSAP: Are there other requirements in OSAP that create barriers to students that you represent in accessing that pool of financial aid?

Mr. Matthew Stewart: Definitely. There are a lot of different barriers. As we all know, OSAP is very widespread on the questions and the formula that they use to get the end funding for the students. The parents' income is definitely something that has been suggested in the past, but we are focusing on the vehicle assessment because we believe that vehicles aren't necessarily something that are a necessity for education, but they are for some students. Therefore, it's putting students on an unfair playing field.

The biggest issue we see with OSAP at present is the car asset exemption. Just the figures around that: It's anything above \$5,000 for a single student and, for a single parent or for people of that class, it's \$10,000. Those are the barriers they have to face.

We take our membership, which is the 110,000 students across Ontario, and this is the feedback they've given us in the major barrier they face when trying to apply for OSAP.

Ms. Peggy Sattler: I hear a lot from students about the interest portion of debt repayment. I wondered if that is an issue for the committee you represent as well.

Mr. Matthew Stewart: We have discussed that. The College Student Alliance: Our belief is that we need money in students' hands now to be able to pay for the education, to be able to pay for the books, to be able to pay for everything outside the cost of just the education itself. The interest rate is definitely something that we're going to look into, but at present, we're trying to get money into students' hands because that is what they need. They need to be able to afford college and not have to drop out due to the fact that they can't afford it anymore. If interest rates afterwards are a problem with students—it's definitely something we're looking into, and we have discussed that with our membership. At present, though, the car is definitely the main issue.

The Chair (Ms. Soo Wong): Ms. Fife, I hear you wanted to ask a question.

Ms. Catherine Fife: Just quickly, I wanted to say thank you for raising the issue around aboriginal ancestry students, because this is a growing demographic in the province and in the country, and we want to ensure that this particular group has access to post-secondary education. So thank you.

Teresa?

Ms. Teresa J. Armstrong: I'll talk to you later—after.

The Chair (Ms. Soo Wong): Thank you very much, Matt, for your presentation and for being here today.

Mr. Matthew Stewart: Thank you so much.

MUNICIPALITY OF BROOKE-ALVINSTON

The Chair (Ms. Soo Wong): The next group is the municipality of Brooke-Alvinston. I believe Mayor Don McGugan is here. Gentlemen, welcome. There are three of you now, but there's only one name.

1130

For the purposes of Hansard, can you please identify yourselves, as well as your position in your municipality? This round of questioning is from the government side. You have 10 minutes for your presentation, followed by five minutes of questioning. Welcome, gentlemen.

Mr. Don McGugan: Well, thank you ever so much, Madam Chair. Just before I introduce my friends here, I just wanted to say congratulations to each and every one of you who has been either elected or re-elected last summer. I realize that each one of you is looking out for the best interests of our municipality and our province. So I wish you well as you do your budget.

The gentlemen with me today: On my far right is John Innes, who is the treasurer of Lambton county. On my immediate right is Joe McMillan, the treasurer of Brooke-Alvinston.

Looking at the agenda today, it looks as if you only have two rural presentations. I have a lot of information. My wife and the young lady on my left are handing out a little gift, I would say. Now, I'm not going to call it a gift, and we aren't going to share the wine today. This wine has to do with my presentation.

I have three things right off the bat. There is a presentation. I don't know if you have got it yet or not. There is a history of my municipality going back to 1833. My ancestors came from the Isle of Skye in 1850. So we are all really new Canadians; it just depends when we got here. I would like to have you at least look at it, a little history about it. We're very dynamic, agriculture-wise.

The reason you have the wine—and inside the wine jar is a little jar of honey: We have the largest honey producer in eastern Canada in Brooke-Alvinston, called Munro Honey and Meadery. We also have the first mead maker—that is honey wine—in the province of Ontario, not the first in eastern Canada.

The reason I bring this up is that our friends in Lambton county—we have three wineries. They cannot sell their wine at farmers' markets because the Premier of this great province, in January 2014, when she was the ag minister, declared that wine could be sold in farmers'

markets, but it had to be VQA authorized. These three wineries are not. With the stroke of a pen, I believe the government can change all of that and it would be a boon for our small municipalities. Agriculture is very rich in Lambton county.

Now, my next topic, and I know everyone will be really interested, is turbines. We have several hundred turbines in the province of Ontario. I have four in my municipality. I have real numbers. This is a \$6-million tower that goes up. Each one costs about \$6 million. The Ontario government somehow has decided to assess them for 2015 at \$42,600-some-odd. My friend to my right here tells me that in the municipality of Brooke-Alvinston, with our industrial rate, we'll get \$1,397.50 per tower. That's four towers. That gives me approximately \$6,000.

Now, these are multinationals. They're very rich. I know them. I know some of their salesmen. I had them at my kitchen table last week. They were talking about more turbines. If the Ontario government would like to give our big industrial a break from \$6 million down to \$3 million, my friend here tells me that if we had a \$3-million assessment on each tower in my municipality, that would be \$42,000 per tower, about \$165,000 or \$170,000.

Now, that leads me into my next thing, and I jumped off my topic. That's just about the same amount of money that the government has cut from my OMPF funding in 2015. It's really \$220,000. But if I could get \$160,000 or \$170,000, my friends on the street in the coffee shop would be so happy. They would want more towers, and I know many of you realize that towers are a challenge and they are a controversial talking point.

The other positive thing that the government could do with just a stroke of a pen is—and I congratulate you for passing the Local Food Act last year. In there, you have got that, as a food producer, if I make a donation to my local food bank, I should be entitled to a 25% tax receipt. My wife, Anne, and I—she was one of the ones who was handing out some of the brochures here. I give white beans—these are beans that you buy in cans—to the food bank in bulk: 100 pounds. They cost me \$100 each bag. This year, I had hoped to get a \$25 receipt for each bag. I found out I could not do that because—I'm going to blame the bureaucrats; I'm not going to blame politicians—they put in there somewhere that the beans have to be grown on my farm. My grandfather, my father and myself grew white beans for 75 years. We have since gone to some other types of crops. If I had grown the beans on my farm, I'd get the 25% credit. I didn't; I bought them from Thompsons. I think that's really wrong. I'm still giving; I'm still donating.

I believe that the three things that I have just mentioned could all be changed with just a stroke of a pen. You could do that before breakfast.

In my presentation, I have many topics, and I will run out of time to talk about them. I do look forward to the questions, because that's the best part of all this discussion.

Last December 15, I believe, the federal government gave \$1.25 billion that I believe the Ontario government did not expect to get. I realize that there are lots of places for that money. I do want to say thanks for what we have gotten in the past—the OMPF funding, some water line work, some sewer lines—so I am appreciative of that.

We are very diverse. We have about a \$60-million gross in the municipality of Brooke-Alvinston.

I neglected to mention that our warden, Bev MacDougall, is unable to be here this morning.

Lambton county is very agricultural and has about \$600 million worth of gross. It was just in the paper yesterday that agriculture in Ontario is a \$34-billion business. I believe it's the largest of any business in the province. If we could just have some help—on OMPF funding, I know I'm getting over \$1 million. That was cut by \$359,000 in two years. That's about 8% of my budget. To raise that \$359,000, I'd have to increase my tax rate by 18.4%. I know that that cannot happen, and it will not happen. What do we do? We have to cut back, and we do cut back.

I'll just say, for information's sake, at our first meeting of the new council—we did have some new council members—we elected not to take a pay increase, and we elected not to get paid to go to meetings. So we have tried. That is really peanuts in the big picture; I understand that.

I have Sydenham River, which is a beautiful, lazy river that wanders through my municipality. We are involved with seven bridges on that, so we do have to look after that, and that is important.

I'm not going to talk any more about OMPF.

I do credit the Ontario government for at least trying to fix the OPP billing. You started, but you've got a long way to go.

I have 1,134 homes and businesses, and my cost last year was \$598,000. This coming year, 2015, the board that we are part of in Lambton county said, "We're going to do you a real favour. It will only be \$562,000." So that's a \$34,000 decrease. But now I may have to pay for extra services, which were covered before.

For me to get to the median in my municipality, which will take five years—I'm afraid inflation will have eaten it all up. I really believe that OPP costing has to be re-looked at and somehow adjusted.

What I would really like is for the Ontario government to take it back. They could do whatever they want with it: give whatever pay increases they want; do anything. Just take it back and let us fix the roads. That OPP cost is nearly one half of my OMPF funding.

There are a number of other issues. One is that rural Ontario is not interested in another tax. What I'm referring to is the suggestion about an Ontario Retirement Pension Plan. We have got enough problems in Ontario without one more tax.

I was here for the presentation by the gentleman from Waterloo. He talked about industrial and the growth and all of that, and I think that's really great.

As you can tell, I'm likely the oldest person in the room. I worked for Dow Chemical for 34 years in Sarnia. At one time, there were 1,650 employees there. Today, there are zero employees of Dow Chemical in Ontario. We have to have an industrial plan.

I have a copy that I came across yesterday—Nature Fresh, out of Leamington, are moving to Delta, Ohio. They're going to spend \$200 million to build a new plant to grow cucumbers and to grow—what's the other thing they grow so much of? Peppers; yes.

The reason they're moving is because of hydro costs. We have to get our hydro costs under control, and we have to have less government regulation. I'm also—

The Chair (Ms. Soo Wong): Mr. Mayor, can you wrap up your presentation so that the member from the government side can ask you some questions?

1140

Mr. Don McGugan: Oh. I have a lot more and it's in my handout. I'm happy to take questions, as well as my two gentlemen. We'd be here for quite a while if I got to all my topics. There's litigation, arbitration and POA. My friend Mr. Innes tells me that we are owed \$5 million in the POA; we could use some of that. I'll turn it over to questions.

The Chair (Ms. Soo Wong): Before we turn it over to Mr. Milczyn, thank you so much for sharing the produce from your community with all of us. I just wanted to say thank you on behalf of the committee. Mr. Milczyn, do you want to—

Mr. Don McGugan: And you are welcome. That's perfect honey.

The Chair (Ms. Soo Wong): Thank you. Mr. Milczyn?

Mr. Peter Z. Milczyn: Thank you, Your Worship, for coming to see us today and bringing us some of the bounty of your community as well that we can sample. No doubt it's going to be very sweet.

Mr. Don McGugan: Make sure the Chair shares it. She got a bottle; you didn't.

The Chair (Ms. Soo Wong): I just gave it to the Clerk.

Mr. Don McGugan: Oh, you gave it to the Clerk? Okay.

The Chair (Ms. Soo Wong): Yes. He's working very hard.

Mr. Peter Z. Milczyn: In any case, the best part of this morning is that you're actually here and talking to us.

You touched on quite a bit. You touched on the OMPF, and I just wanted to ask you about what happened just across the street from here last summer when the government announced the new Ontario Community Infrastructure Fund, which has both application-based funding but also dedicated formula-based funding which guarantees your community a certain amount of funding each and every year for the next five years, which I assume helps you budget and forecast better. How has that played out for your community?

Mr. Don McGugan: That is a positive. We did apply, and I understand from my treasurer here that we got \$35,000.

Mr. Joe McMillan: Yes, \$35,000.

Mr. Don McGugan: We got the minimum. It was \$35,000. We had projects in there. Maybe they didn't meet the criteria. We will be reapplying.

If I could just mention that we're starting a new four-year term. You guys have four and a half years left. If we could just know what we're going to get in 2016-17 and 2017-18, it would be appreciated. But that's a start. There's \$100 million there, right?

Mr. Peter Z. Milczyn: Yes.

Mr. Don McGugan: That would just fix me right up.

Mr. Peter Z. Milczyn: I'm not sure we can give you the whole \$100 million, but you'll get your share.

You also touched on policing costs.

Mr. Don McGugan: Yes.

Mr. Peter Z. Milczyn: I know that's quite a controversial issue, and it's complicated by the fact that there are wage negotiations and so on. But I just wanted to confirm that your share of policing costs, 2014-15, is actually going to go down.

Mr. Don McGugan: Yes, by \$34,000. We were one of the highest. If you go to northern Ontario, they're a lot higher, but we were one of the highest in southwestern Ontario: just about \$600 per household. This year we're going to be at \$525, so we've come down \$34,000.

Mr. Peter Z. Milczyn: But it's going in the right direction.

Mr. Don McGugan: Yes. It's just going to take a long time to get there.

Mr. Peter Z. Milczyn: I was curious about what you mentioned about the wind turbines, the production of sustainable energy in your community and that your community seems to be accepting of it. The issue you raised is really about MPAC and how it assesses those installations and whether there's a different way that they can assess them. That's your point.

Mr. Don McGugan: I guess what I really was trying to say is that it's only assessed at, I think, about 1% of the real value. There are \$6 million to put up, and why the government agreed to go at \$42,000, I don't know. These companies are willing to pay more. The gentleman I had at my kitchen table last week said, "Don, it's the cheapest tax rate in North America." Florida Power and Light was the gentleman who was at my place. It's called NextEra now. But I really think, yes, you've helped them; there are several hundred of them up. If I could get \$40,000 a tower, that would really be appreciated.

Mr. Peter Z. Milczyn: Are they assessed as industrial or are they being assessed as—

Mr. Don McGugan: Yes, the towers are assessed as industrial, and one acre surrounding them. In my municipality I only have four. Just north of me there are 40 within 10 miles of me.

Mr. Peter Z. Milczyn: I know that there's a lot of investment in your community in terms of supporting some new agricultural businesses. We've invested in a plant to help create new substances from corn, so that helps the agricultural sector and it also creates some industrial employment in your community.

Mr. Don McGugan: I'm glad you mentioned the industrial park, because Anne and I were the host farmers this year for the demonstration of taking corn stalks and making them eventually into plastic. The process is not quite as quick as I said it, but we did a whole bunch of bales. They're right now at GreenField in Chatham. They are processing them and they hope to be able to take that corn stalk, eventually turn it into sugar, and then turn the sugar into plastic that someday we'll make into Ziploc bags. We're three or four years away from doing that, but that's a positive. The Ontario government put money in there, and the federal government and a whole lot of private money. So that was a wonderful experiment and that happened on our farm in November.

The Chair (Ms. Soo Wong): Mr. Mayor, I'm so sorry. Thank you so much for your presentation and your written submission, and thanks to all of your colleagues who are here today.

Mr. Don McGugan: If you need contact information, it's in the back. We'd love to have you contact us. We'd even love to have you come and visit us.

The Chair (Ms. Soo Wong): Thank you for the invitation and your hospitality.

ONTARIO GOOD ROADS ASSOCIATION

The Chair (Ms. Soo Wong): Our next speaker before we recess for lunch is the Ontario Good Roads Association. I believe Mr. Tom Bateman, the president, and Joe Tiernay, the executive director, are here. Gentlemen, welcome. I'm going to ask you to take your seats. You have 10 minutes for a presentation, followed by five minutes of questioning. This round will be from the opposition side, gentlemen. Please identify yourselves for the purpose of Hansard. Thank you.

Mr. Tom Bateman: Thank you. Good morning and thanks very much for the opportunity to come meet with you this morning. My name is Tom Bateman. I'm the county engineer for the county of Essex and also have the pleasure of being the president of the Ontario Good Roads Association. I'm joined this morning by Joe Tiernay, our OGRA executive director.

Since 1894, the Ontario Good Roads Association has represented the interests of municipalities when it comes to public works and infrastructure. Today our membership includes 420 of the 444 municipalities, as well as 21 First Nations.

For the last number of years, OGRA has been a leader in promoting asset management and infrastructure stewardship at the municipal level. Our efforts have provided handsome dividends.

However, our current initiatives and efforts are not sufficient. If we are to realize the maximum potential of the generational investment that the government of Ontario has committed itself to over the next 10 years—the \$130-billion funding—together we must reimagine how we manage and fund our municipal infrastructure.

As such, we have three simple recommendations we'd like to share with you today that will ensure our money is

spent prudently, our assets are fully maximized, and all Ontarians derive the benefits that should be expected from renewed transportation and transit networks, water systems and social housing.

Our first recommendation is something the province can act on now. Currently, municipalities have to complete and file asset management plans with the province if they hope to access provincial funding dollars. The province continues to permit municipalities to use a variety of non-compatible data standards for cataloguing their assets. Moving forward, municipal asset management plans must include condition assessments. This will allow funding decisions and prioritization plans to be made using quantitative performance measures. These plans should then provide the government of Ontario with aggregate-level data on the extent and condition of municipally owned infrastructure. They should also provide decision-makers with the transparency and accuracy to rank and select their projects.

Currently, there is no uniformity among both the asset management plans themselves as well as the way in which the data is collected or the conditions are assessed. For example, the width of a pavement can be defined in three different ways. This can give a variation in the measurement on the same section of road upwards of 1.2 metres for the surface width—again, considering a normal curb has a width of 600 millimetres. Municipalities need the province to establish more comprehensive guidelines for the development of their asset management plans.

Secondly, we need a concerted effort to quickly accumulate the data and place it in a repository. In 2011, the Ministry of Transportation and OGRA collaborated on the delivery of a municipal grant program that was designed to improve the knowledge of municipal bridges and culverts across the province. The province invested \$1.1 million and provided that to Ontario Good Roads, which in turn awarded \$5,000 matching grants to municipalities for the purpose of collecting and inputting bridge structure data into OGRA's asset management tool.

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At a time when both the private and public sectors are determined to use big data to improve decision-making, the tremendous success of the bridge data collection initiative created a framework that could easily be replicated with the other priority asset classes that the Minister of Economic Development, Employment and Infrastructure has identified—namely, roads, water, waste water and social housing.

Today, there is still no structured effort to provide a macro-level province-wide aggregation of municipal infrastructure data. A concerted effort to quickly accumulate this data will allow improved decision-making. The time to do this is prior to spending \$130 billion, not after. This, again, would create a partnership between municipalities and the province and would optimize infrastructure investments while balancing the government's commitment to fiscal sustainability.

Road networks, water and waste water, and social housing represent three of the principal asset classes held by Ontario municipalities, yet the data on the asset condition and capital needs is consistently lacking, nor has it been aggregated across all municipalities.

Regardless of the sector, the evidence is clear: Data-driven decisions tend to be better decisions. Specifically within the field of infrastructure, numerous studies have demonstrated that the larger the data, the more accurate the forecast. Government leaders must embrace this thinking.

Lastly and most importantly, municipalities need to be given the legislative permission to pursue new revenue streams. Municipalities can do all the planning needed to realize a perfect asset-management scenario and still find themselves undone by their inability to pay. In Ontario, this is especially true. The unfortunate reality is that Ontario municipalities cannot maintain the infrastructure they have, or invest in what they need, without new sources of revenue. Underfunded infrastructure represents a major threat to the long-term prosperity and well-being of Ontario.

Presently, municipalities are saddled with a tax framework that provides inadequate funding and offers little year-over-year stability. Moreover, municipalities are not allowed to run deficits in their operating budgets. This, in turn, leads to chronic underinvestments in infrastructure maintenance and building, and erodes the ability to keep up with ever more rapidly deteriorating assets.

Infrastructure costs are driven by two primary factors: maintaining and renewing the existing assets, and building new ones to accommodate the growth of a municipality's population and its service needs. Efficiencies, savings, and alternative financing and procurement are worthy pursuits, but they will not provide the tens of billions of dollars needed to close the infrastructure deficit. The current system of transferring funds between levels of government is not stable and often ends up meeting the priorities of the donor and not those of the recipient.

When the smallest municipalities in Prince Edward Island have considerably more options to raise revenue than do Mississauga or Ottawa, then the time has come for a mature and honest conversation between Ontarians and all levels of government about the importance of infrastructure investments and the need for better means to pay for them.

OGRA believes that incorporating these practices will ensure that the buy-in and success of these changes will be widespread and meaningful. Our suggested conditions are that funds collected through any new tool must be earmarked for public infrastructure investment; revenue streams should be subject to a prescribed sunset review; absolute transparency on policy and revenue-generation objectives; rigorous cost-benefit analysis of economic and social implications of any new revenue tool; ensuring the maximum value for money for taxpayer dollars spent through the adoption of best-in-class project management and financing models; and, finally, that fairness in the

distribution of costs and benefits to different groups, and between individuals and businesses, include mitigation measures—i.e., rebates or exemptions—for those who are unfairly impacted.

This process and this discussion about new revenue tools does not promise to be an easy conversation, but that difficulty should not dissuade us.

The Chair (Ms. Soo Wong): Thank you very much, Mr. Bateman. I believe Mr. Fedeli will begin the questioning.

Mr. Victor Fedeli: Thank you. Welcome, Tom. Welcome, Joe. Nice to have you here today. It's good to see both of you. I know that we'll have extensive conversations very shortly at Good Roads—OGRA/ROMA, I still call it from my old mayor days.

My friend Alan Korell was our engineer at the city of North Bay while I was mayor. We hired Alan. He served a very, very powerful role, in my opinion, on OGRA, and really was somebody who educated a lot of us mayors on the role of Good Roads in our own municipalities. So I thank you for taking on this extra burden as well.

The asset management plans: I know you were here to talk about standardizing. That's well understood, and something that I do also believe that should be happening so that we are comparing apples to apples. What are you seeing out there? Forgetting about the standardization for a moment, what are you seeing out there in terms of the amount of money that it's going to take to bring up our infrastructure in municipalities? What's shocking you out there?

Mr. Tom Bateman: Thank you; that's a great question. One of the challenges in answering that question, of course, is that we really don't have that data across the entire province for all the asset classes. We've got a very good handle on it—the bridge deficits; some of that data was collected. Probably the easiest way to answer that is to take a municipality—mine, for instance. We've identified that our annual spending for rehabilitation of our assets—bridges, culverts and roadways—should be in the range of \$11.5 million a year.

Mr. Victor Fedeli: Which sized community? Population.

Mr. Tom Bateman: We have 175,000 people; seven lower tiers, and we're the upper tier in the county. We maintain a network of just shy of 800 kilometres.

We need about \$11.5 million a year. We're currently funding about \$8.5 million, so we have a \$3-million-a-year sole maintenance rehab gap. That's fairly typical, I think, in the percentage of most municipalities of our size. As you become smaller, that gap spreads. Although the value of it isn't as large, their gap is quite large.

Mr. Joe Tiernay: I might just add to that. During the Provincial-Municipal Fiscal and Service Delivery Review, there was some modelling done. It was estimated that, province-wide, there's about a \$6-billion deficit a year on maintaining our infrastructure.

Mr. Victor Fedeli: I'd be surprised if it's that low, to be honest. I know that when we did our asset management review, we had the vehicle that drove through every

single street in North Bay and did the thermal review of the sewer, the water, the pipes, all of the goodies underground, of our sidewalks and our roads, and detected the service. I think we were at \$880 million in the city of North Bay alone, population: 54,000. That's what the bill would be to upgrade.

I remember that when we dug up Fisher Street we pulled out a piece of sewer pipe that was a barrel stave. It was 17 feet long, but it was wood with metal rings around it. It looked like a massive barrel. We put it in the museum. That's what we dug up on Fisher Street, which gives you an indication of how old a lot of this infrastructure is.

I also agree very much with your plan to replicate the bridge data collection. The money was a great investment in bridges and would be an equally great investment in the new program that you describe.

Where I have difficulty, as a good fiscal conservative: To be quite frank, I've never found a tax that has ever created one job. So giving new revenue tools for municipalities: That's a very, very tough one. I understand that, unlike the province, a municipality cannot run a deficit. That's just not allowed, plain and simply. More like your home, you have to balance your budget every year. Living within your means is one way of doing it. Finding a new tax has got to be a last-ditch effort for you. That sounds more like a Hail Mary pass than being creative and working within your means.

Our party has proposed to share the gas tax that's already being collected with all 444 municipalities, rather than the 93 that it's shared with today. Is that something that would help the rest of the municipalities within Good Roads?

Mr. Joe Tiernay: Oh, absolutely. I agree that any additional revenue transfers from the province or the federal government would be welcome. However, in response to your comments—and we had this discussion when we were in Toronto in November at our advocacy day. I'm sure you've had many delegations from municipalities here, and I see them listed on the agenda, asking for financial assistance in various aspects of their responsibilities. We're saying that by allowing municipalities to have the option to pursue other revenue tools, it takes them away from coming to the province, hat in hand, asking for these tools and gives them the option of looking within their own organizational structure to establish new revenue tools that make sense in their communities. We're not suggesting that the town of Bracebridge go out and put a toll road down the main street of Bracebridge. But if it makes sense for a local community with a local council to generate those additional revenues, they should be given that option, much as the city of Toronto currently is.

Mr. Victor Fedeli: "Revenue tools" is a pretty nice, new word, but that's a tax. We're talking about increasing taxes. Are we talking about increasing taxes?

Mr. Joe Tiernay: Absolutely.

Mr. Victor Fedeli: Okay. So “revenue tools” is a tax. Municipalities already have many ways to increase revenue and increase services at the same time.

I know, as mayor of the city of North Bay, when we looked at economic development, we increased our revenue by selling surplus land that we had in the municipality. We put that money in reserves, so it wasn't as if that money paid off the instant bills. That money went in reserve, but it sold property that allowed for housing to be built—

The Chair (Ms. Soo Wong): Mr. Fedeli, can you wrap up the questioning?

Mr. Victor Fedeli: —and we increased the tax base that way, as opposed to increasing taxes. Would you consider that to be something that other municipalities should consider doing?

Mr. Joe Tiernay: We think municipalities should be able to look at all options. However, the city of Toronto currently has additional revenue tools that were granted to them in the City of Toronto Act. We're simply saying that all municipalities should be given equal status.

The Chair (Ms. Soo Wong): Okay, gentlemen. Thank you very much for your presentation, as well as for your written submission.

Ladies and gentlemen, we're going to recess until 1 p.m. for lunch. Thank you.

The committee recessed from 1201 to 1301.

The Chair (Ms. Soo Wong): Okay, I'm going to resume the committee hearings for the pre-budget consultations. It's 1:01. Time is of a critical essence here today.

ONTARIO MEDICAL ASSOCIATION

The Chair (Ms. Soo Wong): The first presenter is the Ontario Medical Association, Dr. Michael Toth, the president-elect. Dr. Toth, please join us at the table. I'm not sure you heard this morning's presentations. You have 10 minutes for your presentation, followed by five minutes of questioning from the committee. This round of questioning will be coming from the third party. You may begin any time. Please identify yourself for the purposes of Hansard. Thank you.

Dr. Michael Toth: Thank you very much for that introduction. My name is Dr. Michael Toth and I'm a family physician from Aylmer, which is a community not far from here. I've practised there for over 25 years. I'm also the associate lead physician of the Elgin family health organization. I am the medical director of Terrace Lodge, which is a home for the aged in Aylmer. I also sit on the medical advisory committee of St. Thomas Elgin General Hospital.

With me today is Mr. Frank Rubini, who is the regional manager for this district in the OMA. As you pointed out, Chair, I also serve on the Ontario Medical Association board of directors for district 2, which includes London, and I am the OMA president-elect at present, and will be president next year.

I'm pleased to be here today to discuss the importance of a well-funded and sustainable health care system in

Ontario, specifically for London and the surrounding communities. I represent not only the physicians in those communities but also the 34,000 doctors and medical students across the province.

I'm here today to call on the Ministry of Finance and the Ontario government to adequately fund our health care system, one that is facing pressures from growth in patient numbers and in need.

As you may know, recently, following months of negotiations, the government gave the Ontario Medical Association a take-it-or-leave-it offer. After years of the doctors of Ontario and the government working together to meet the needs of the patients of Ontario and the challenges inherent in a very complicated health care system, the government threatened that if the OMA didn't agree with their cuts, they would move ahead without us and cut even deeper. The OMA said no and the government plans to cut even deeper. That's not a partnership and that's not what is needed.

I want to take a few minutes to explain why this decision is so critical to understand, as we believe the government's recent actions have serious implications for our patients and their families across the province.

One of the building blocks of a healthy economy is a healthy population. The fact is that Ontario's population is growing and aging, but the government has decided to fund less than half of the additional care that will be needed. They don't even want to pay for new doctors to treat existing patients who are struggling to access the care they need. We think this is not right and we can't support it.

By the Ministry of Health's own estimates, demand for medical care will grow by at least 2.7% per year. That's due to population growth, the aging population that needs more complex care, and the need for new doctors to treat existing patients who currently can't get timely access to the care they need. Yet the government is only willing to fund 1.25%, or less than half.

Looking back over the past five years, growth for medical services has increased by an average of about 3% a year. Why has this happened? It's because the doctors treat the patients who need care, and we want to provide that care. It's happening because our population is growing and aging. More care and more complex treatment is being delivered across the province, and the government knows that this need is increasing. Every year, 140,000 new patients come into our health care system. That's almost the population of the province of Prince Edward Island.

The South West LHIN, which includes London, is home to about 924,000 people, about 7.5% of the population of Ontario. The communities that make up the network have a higher than provincial average of seniors, and therefore of chronic conditions such as high blood pressure, obesity, and pulmonary or lung disease. As the need for more complex care increases, so does the need for physicians to deliver that care, and the government's imposed solution makes that worse.

In the South West LHIN, we also have about 39,000 unattached patients. Those are patients who don't have access to a family doctor or a primary care provider of any kind—5% of the population. This doesn't include children under the age of 16. London itself accounts for about 15,000 to 25,000 of those unattached patients. Again, the government's imposed agreement will make that situation worse, because under the contract proposed by the government, doctors end up being penalized if they see too many patients. This leads to longer wait times to see a family doctor, to have diagnostics done, to get surgery done. We think this is unacceptable, particularly for a region with more seniors than the provincial average.

I'll point out that recent agreements with physicians in British Columbia and Alberta demonstrate how those governments have accounted for changing needs of their populations and have made the changes required by funding system growth. However, in Ontario, the government is shirking that responsibility.

Ontario's doctors offered the government a two-year freeze on our fees, and that still stands today. This means no increase in fees paid for any physician service, from a standard assessment with your family doctor to the most complex of surgery. All the OMA asks is that the government accept its responsibility to fund new doctors to treat the patients we have today and provide the extra care needed to treat Ontario's growing and aging population.

Ontario's doctors understand and acknowledge the economic challenges facing the government. A freeze on the fees and a government commitment to fund growth are the right things to do in today's economic environment. In 2012, Ontario's doctors accepted a 5% cut, and in doing so we helped to save \$850 million in the system. We did this because, working together, we could make cuts in places that had minimal impact on patients. Now, less than three years later, the government wants to cut another 4% from medical services. This pattern is unsustainable. It's unrealistic if we want to have the best care for our patients and if we want to have the best doctors available in Ontario. It's a race to the bottom. It's not right, and we can't support it.

Moreover, it is important to acknowledge that OHIP billings are calculated before expenses. For example, doctors' rent for office space, staff salaries, office supplies and equipment are all paid for from the OHIP billings. Doctors are employers. In fact, a doctor employs, on average, four full-time jobs in their community. In all, physicians employ about 96,000 people across the province. The government's attempts to demonize doctors by equating billings with salary are unfair.

The government cuts are real. We think that last week the government took a 180-degree turn in the wrong direction. We were astonished to see that the biggest part of the cuts the government is imposing is focused squarely on family practice, and specifically the group and team-based models of delivering primary care. These are models that we've spent the last 10 years building and developing to improve access and quality of care for patients. Now the government is really dismantling them,

taking us back to a time when millions of people couldn't find family doctors, students didn't want to become family doctors, and doctors were leaving the province in droves.

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When government imposes these terms, doctors will do everything we can to limit the impact that these cuts will have on patients, but make no mistake: There will be negative impacts.

Our message is clear. We want the government of Ontario to fulfill its obligation and responsibility to Ontarians, to fund the unmet needs of our current population and the natural growth to provide care to our aging and growing population. Patients in Ontario, including London and the surrounding communities, deserve this from our government.

I'm happy to take any questions.

The Chair (Ms. Soo Wong): Thank you very much, Dr. Toth. Ms. Fife, do you want to begin the questioning?

Ms. Catherine Fife: Thank you, Dr. Toth, for coming in and shedding some light on what is a very uncomfortable situation. Quite honestly, it's very—I think you used the right word when you said “demonize.” It's shocking for us to see the Minister of Health engage in a fight with you on Twitter, for instance. We've never seen this kind of conduct before.

I want to ask you a couple of quick questions, just for clarity. On July 9, the Premier stood in the Legislature and promised, “We're not going to cut health care.” From your perspective, has the Premier broken that promise by imposing a contract on physicians that fails to fund growth and the need for medical services?

Dr. Michael Toth: Certainly I would agree with that. I think that these cuts—and that's what they are—are cuts to services for the patients of Ontario.

Ms. Catherine Fife: Thank you. And one of the concerns that you've raised with us, in this committee and across the province, is around enrolment in medical schools. There was an increase of 22% from 2005 to 2013. First-year postgraduate trainees increased 64% in that time period, and in that election the Premier promised that every Ontarian would have access to a primary care provider by 2018. Will the imposed contract allow the government to keep that promise and ensure that all of these doctors can practise in the province of Ontario?

Dr. Michael Toth: We did, over the last decade or so, work very hard with the government to make family practice more, if you like, popular and enticing for medical school graduates to undertake, and I think we were successful in that. We did work very hard to transform primary care in Ontario, and we did make great strides.

Having said that, there are still some 900,000 people in Ontario without a family doctor. Because of the imposed cuts in this contract, it's going to be difficult, if not impossible, for new physicians to enter into the kinds of team-based care that we worked on over the last decade, in which they've been trained. I suspect that we are going back to the days where people will have more difficulty

finding family physicians, so I don't believe that every Ontarian will have a family physician by 2018.

Ms. Catherine Fife: The government has been using a figure that we would like to get some clarity on. The Minister of Health is estimating that the demand for medical care is growing at 2.7% annually. Can you provide documentation to this committee so that we can have some assurance that that's a real number? Is that a real number, in your estimation?

Dr. Michael Toth: That is a real number, in our estimation, and we can provide that to the committee. We will do that through the OMA's economics department.

Ms. Catherine Fife: Thank you. This does come down to, quite unfortunately, a he-said, she-said situation, which I don't think anybody wants. I think we can all agree that it's not in the best interests of the people in this province. It comes down to accountability and transparency around where those health care dollars are going. What is your recommendation for increasing the accountability and transparency of physician billings so that everybody can see the actual sacrifices that physicians are making and the actual funding requirements needed to meet a growing need in the province?

Dr. Michael Toth: Certainly we're all interested in transparency and ensuring that taxpayers get value for their tax dollars. We can certainly look at the numbers we have for the work that physicians do. Those numbers are available.

If you're asking whether or not we support individual doctors' billings, as has been asked for in some of the newspapers—if you're asking whether we support that kind of transparency—I don't think we're necessarily against that. I think it just needs to be taken in context, in talking about the fact that billings do not equal take-home pay, also understanding that—

The Chair (Ms. Soo Wong): Thank you, Dr. Toth.

Ms. Catherine Fife: That's a fair point. Thank you very much.

The Chair (Ms. Soo Wong): Thank you for your presentation and your written submission.

ONTARIO NURSES' ASSOCIATION

The Chair (Ms. Soo Wong): The next group coming before us is the Ontario Nurses' Association, James Murray. Mr. Murray, you have 10 minutes for your presentation, followed by five minutes of questions. This round will be coming from the government side. Thank you.

Mr. James Murray: Thank you and good afternoon. I'm James Murray. I'm a registered nurse and I am the bargaining unit president for local 100 of the Ontario Nurses' Association, or ONA.

My background in nursing includes 29 years as a registered nurse, with experience in hematology, oncology, hemodialysis, mental health and emergency nursing. I have worked at Toronto General, North Bay Psychiatric, and St. Joseph's Health Care London, and currently work at London Health Sciences Centre. I have been the

bargaining unit president for the 3,600 registered nurses at London Health Sciences Centre since 2011.

ONA is Canada's largest nursing union, representing 60,000 registered nurses and allied health professionals, as well as 14,000 nursing students and affiliates, who provide quality care each and every day in hospitals, long-term care, public health, the community, clinics and industry.

Registered nurses are extremely concerned about the extent of understaffing that exists in hospitals in southwestern Ontario and the resulting impact on quality of care for our patients.

In ONA's region 5 here in southwestern Ontario, registered nurses have identified significant challenges to the delivery of safe and quality care as a result of ongoing restructuring of acute care clinical services, overcapacity and overcrowding in units, and the implementation of staffing mix models that have replaced RN care with less qualified staffing. These changes in the delivery of patient care are being implemented solely as a result of budget constraints and not for clinical reasons.

First let me reiterate the basic facts on the extent of RN understaffing in Ontario. Overall, Ontario has 71 RNs per 10,000 population, compared to 83.6 RNs per 10,000 people in the rest of the country. This ratio is the second lowest in Canada. This creates a significant gap in RN care for Ontarians while in hospital, and then when our patients are discharged into the community or placed into long-term-care homes.

This afternoon, I want to provide you with some examples from southwestern Ontario that demonstrate the dire need for more registered nurses in our hospitals to meet the increased care needs of our complex and unstable patients.

When you talk directly to Ontarians, they will tell you that they experience the lack of enough registered nurses every time they seek care in an emergency, recover from surgery, or seek other critical treatments or care. The state of RN staffing in our hospitals is creating high-risk situations for our patients and is firmly on the minds of many Ontarians. It is becoming a serious point of conversation in our communities.

There is extensive evidence in support of higher RN staffing levels in hospitals and improved quality of care outcomes for patients. From the evidence, we know that higher levels of RN staffing in hospitals are essential to care for patients with complex and unpredictable conditions. Adding one patient to a nurse's average caseload in an acute care hospital is associated with a 7% increase in complications and in patient mortality. RN staffing is associated with a range of better patient outcomes, reduced hospital-acquired pneumonia, unplanned extubation, failure to rescue, nosocomial bloodstream infections and length of stay.

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In Ontario, however, three years of frozen base operating funding for hospitals has resulted in the elimination of millions of hours of RN care. For example, at London Health Sciences Centre, approximately 150,000 hours of

registered nursing care have been eliminated over the last three years. These cuts to RN hours continue, while unregulated care providers are introduced at the same time as the complexity of care that our patients require increases.

As well, Leamington District Memorial Hospital has announced a plan to close its obstetrics and gynecological unit, possibly deferred till June, which will eliminate another 15 registered nurse positions and another vital hospital service for patients.

Health care decisions should not be based on finances but on the needs of our patients.

In addition, Regional Mental Health Care London has eliminated approximately 70 mental health beds, creating a crisis in access to mental health services.

London Health Sciences Centre has experienced, and continues to experience, critical bed shortages and is chronically over-census. The hospitals in London are experiencing critical over census in all care areas due to the high volume of patients requiring admission to in-patient units.

Our mental health units, and medicine units specifically, are routinely over-census. Our mental health patients routinely are asked to sleep on stretchers in non-patient rooms or vital beds, due to a lack of beds in service. The standing committee should know that it's not uncommon for mental health patients to spend an average of three to four days segregated in emergency departments while they wait for a bed on an in-patient unit.

Because our psychiatric intensive care beds are chronically occupied with patients needing high levels of care, and not necessarily acute care, the status of patients waiting in the emergency department is often downgraded from requiring a psychiatric intensive care bed, just to get them out of the emergency department, which results in unsafe situations for patients and nurses on the units.

The Ministry of Labour has been called in because of the unsafe working environment for nurses in several departments due to a lack of staffing.

In fact, the incidents of violence and injury directed towards nursing staff on the mental health and medicine units have reached crisis proportions. Violent attacks on our nurses have grown from a total of 18 in 2013 to 360 in 2014, and there have already been 36 incidents in the first few weeks of January alone. Nurses have received head injuries and broken bones. London Health Sciences Centre has experienced up to five violent incidents on a single day.

Gaps in measures and procedures are leaving nurses vulnerable to violence. These gaps include staffing shortages; a shortage of panic alarms; a lack of willingness on the part of the hospitals to implement short-term measures; inadequate medication of patients; a lack of training and resources; and a lack of violence risk assessments that include specific measures for the prevention and reduction of violent incidents.

The situation at London Health Sciences Centre is consistent with the fact that Ontario has cut the number of hospital beds significantly: 18,500 fewer hospital beds since 1990, which is the lowest number of hospital beds per capita in Canada.

Hospitals are assessing patients in high-risk areas of high occupancy for discharge to the most appropriate setting in order to create capacity in in-patient clinical areas—in other words, move patients out of the hospital because there are not enough beds or nurses.

Each clinical area, including medical, surgical and mental health outpatient units, is being assessed for potential cancellations in order to create stretcher capacity or to free up nursing staff to be deployed in other areas. In lay terms, this means hallway nursing and not enough nurses, creating chaos for patients in our hospitals.

The safety of our patients and of our nurses is at risk under these escalation strategies.

Elective surgeries are being cancelled, while emergency rooms are overcrowded and patients are being redirected. Regional referrals are restricted, except for those critically ill. Patients are being sent back to community hospitals that are already over capacity and understaffed.

The Vice-Chair (Mr. Peter Z. Milczyn): Mr. Murray, could you just wrap up so that we could have time for questions?

Mr. James Murray: Certainly.

These facts on the ground in southwestern Ontario are entirely consistent with research and literature. One study, for example, has shown that improved patient care from additional RN staffing prevents nosocomial complications, mitigates other complications through early intervention, and leads to more rapid patient recovery. This creates medical savings and shows the value of professional RN staffing, let alone the impact on saving lives.

ONA is calling on the government to end underfunding of our hospitals. The simple fact, based on the evidence, is that health care outcomes for patients in hospitals suffer when fewer registered nurses are part of the staffing mix.

The Vice-Chair (Mr. Peter Z. Milczyn): I'll stop you there. We do have questions from the government side. Ms. Wong, you have five minutes.

Ms. Soo Wong: Thank you very much for your presentation, Mr. Murray. I want to thank you for being here today and also thank the members of the Ontario Nurses' Association. I want to be on record as a former member of ONA back in the 1980s, so I certainly know your organizations, coming from the community. Can you just go on record to share with the members of the committee, ONA represents—the largest membership of your association is from the acute care sector. Am I correct?

Mr. James Murray: That is correct.

Ms. Soo Wong: Okay. I also noticed in your presentation this afternoon to the committee that your focus is specifically in the acute care community. Am I correct?

Mr. James Murray: That's correct.

Ms. Soo Wong: Okay. On page 2 of your presentation, you shared with us some statistics, and you said here, "Overall, Ontario has 71 RNs per 10,000 population compared to 83.6 RNs for 10,000 people in the rest of Canada." Is that data based on the acute care setting versus the other settings?

Mr. James Murray: That is all settings.

Ms. Soo Wong: All settings; okay. The other thing here is, can you share with the committee a demonstration, in terms of evidence-based, that more RNs are better, not just for patient care but improving health care in general in terms of the system?

Mr. James Murray: There are numerous studies out there that have been done by nursing leaders that demonstrate that increasing the RN numbers decreases the complications of patients at hospital.

Ms. Soo Wong: So it's in the hospital sector as opposed to—

Mr. James Murray: It is in the hospital sector.

Ms. Soo Wong: Okay. I also want, because time is limited—this morning we heard from your colleague Ms. Gould, from the London Health Sciences Centre, who presented for the Canadian Mental Health Association Middlesex. There has been a lot of conversation here because your colleagues across Ontario have presented to this committee. There has been lots of conversation about early intervention, preventions and what have you.

I also want you, as a presenter today, to share with the community, because acute care is tertiary care, the most expensive health care, so what measure—you're talking about numbers, more and more RNs. How do we sustain the numbers, with the aging population? We heard this morning from the folks from the Canadian Mental Health Association, along with Laurie Gould. They talked about early intervention and prevention. How is your sector, meaning the acute care sector, working in collaboration with the community? Because I know you have members from the community. Can you share with us how we sustain, because we're already spending \$52 billion in health care—how do we sustain this number?

And furthermore, how do we address this issue of the aging population? We need to hear some solutions. In the same breath, there's more RNs, not just in acute care but also more RNs in the community, because you know the government has transformed health care. More money and more dollars have been going out to the community. Your members in the community could attest to that.

Mr. James Murray: I don't see that, but—

Ms. Soo Wong: Okay, but I do know that through the LHINs, through the CCACs, there is evidence that there is more care provided in the community. So can you share with this committee, how do we address the whole issue of sustainability in terms of health care?

Mr. James Murray: Well, I don't see it the same way as you do. I do not see the increased costs in the community, as you say. If that were the case, then we would not have the current overcapacity in the acute care centres, especially in mental health.

Ms. Soo Wong: Okay. So with regard to your members, I also want to ask—you talked a lot about the whole issue of staffing mix. I know your members don't represent RPNs. Do you represent NPs, nurse practitioners, in the acute care setting?

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The Vice-Chair (Mr. Peter Z. Milczyn): I do have to stop you there to keep us on schedule.

Mr. Murray, thank you very much for your deputation today. The Clerk will make copies of what you have provided in writing, to make sure that every member of the committee receives a copy. If there's anything additional that you'd like to provide in writing, do so before 5 p.m. on Friday.

Mr. James Murray: Okay. Thank you.

COUNCIL OF ACADEMIC HOSPITALS OF ONTARIO

The Vice-Chair (Mr. Peter Z. Milczyn): Our next witnesses are from the Council of Academic Hospitals of Ontario. If you could please provide us your names and titles for the record. You have 10 minutes. Following that will be five minutes of questions from the official opposition.

Ms. Karen Michell: Great; thank you. I'm Karen Michell. I'm the executive director of the Council of Academic Hospitals of Ontario. With me today is Dr. David Hill, who's the vice-president of research at our local London hospitals, and also the head of the Lawson Health Research Institute. We're here to talk to you about yet another part of the Ontario health care system, which is the research and development arm of our health care system.

Any major sector or industry knows that, in order to provide high-quality services efficiently and at the best price, you have to invest in R&D to ensure that your service constantly improves to meet these standards. In fact, those are exactly the challenges that we're facing in Ontario's health care system today.

All of us in health care—doctors, nurses, hospital administrators—are committed to providing the best care for our loved ones, but research hospitals have the additional responsibility of inventing tomorrow's care and applying it today. When we do that, we help to make Ontario healthier, wealthier and smarter.

Let me tell you how. I'm going to share two stories from our scientists in Ottawa, both in the basic science area and the applied research area. Dr. Harold Atkins, who works at the Ottawa Hospital Research Institute, has applied stem cell treatment, often used for autoimmune diseases, to a rare brain disease called stiff person syndrome, which is characterized by debilitating muscle stiffness and spasms. This breakthrough treatment with stem cells restores quality of life to the point where patients are telling us that it's really hard to describe what it's like to have their lives back.

Better care for patients can also be delivered at less cost to the system. For example, the Ottawa Hospital Re-

search Institute has also introduced a clinical decision support tool that's based on research evidence that helps emergency department doctors decide if a patient who comes in with COPD has to be admitted to hospital or not. We know who's at risk, who needs hospital care and who can safely go home. An economic assessment of that research-based decision support tool shows us that it could save the health care system over \$115 million over three years.

In addition to realize the value of this type of discovery, we actually need to use what we discover. At CAHO, we have created a program called Adopting Research to Improve Care, or ARTIC. That helps to ensure that these discoveries that happen in research hospitals are used right across the Ontario health care system. The Ontario government has invested in ARTIC, and we've addressed key challenges like combatting resistance to antibiotics, better care for the elderly in hospital settings, and enabling the transition of long-term mental health clients back into the community safely.

This last point refers to the transitional discharge model, which was developed by a researcher, Dr. Cheryl Forchuk, right here in London. With ARTIC program investment, the transitional discharge model was deployed in nine hospitals across Ontario. Over 580 clients received this transitional support over the last two years, and the results are very positive. I can, of course, quote you statistics. The average length of stay for these long-term mental health clients has been reduced by an average of 10 days, and staff are reporting fewer readmissions of these clients.

In addition to statistics, it's important to understand how the use of research evidence can actually even save lives. Consider this: In the first month after discharge, 43% of suicides occur in this population, but as a result of this new care model, clients are reporting feeling less overwhelmed and lonely and more reassured, and they have a safety net as they go back into the community.

The ARTIC program's model of supporting and accelerating the use of research evidence means that we're able to do so a lot faster. We're able to do this in two years across the system instead of the 17 years that it has traditionally taken. Let's face it: A generation is really too long to apply what we know from discovery.

As a result of this success, CAHO has partnered with Health Quality Ontario, a provincial agency, in order to deliver the ARTIC program right across the health care system in Ontario, beyond our hospitals. We're very pleased and very proud to offer ARTIC as a provincial resource.

But as we all know, innovation doesn't just happen. We need to invest in it. Fortunately, investment in health research generates a significant return, so let's look at the numbers. Some \$1.4 billion is spent annually by the CAHO hospitals on health research. That's a significant investment in knowledge generation. But we're also significant employers of knowledge-based jobs. We have over 16,000 researchers and research staff working in our hospitals, in addition to our doctors and nurses. You have

a handout in front of you with many more statistics in that regard.

But I think that in an economy where we want to stimulate investment and create new opportunities for growth, one of the most interesting things about health research is that our research hospitals are a real magnet to attract investment from industry. Fourteen per cent of our investment in health research comes from private industry funding. That's more than twice the OECD average for business investment in higher-education R&D. Relative to other sectors, our research hospitals are really punching above our weight in terms of our ability to attract private investment.

Health research is now also a part of the new economy in many of our communities. I'll just give you an example of Sudbury. CAHO's member hospital there is Health Sciences North, and their research institute is the Advanced Medical Research Institute of Canada, or AMRIC. AMRIC employs 80 full-time highly skilled employees and contributes multiple millions to the local economy each year. New companies are forming in Sudbury to commercialize the leading-edge health research that's coming out of this research institute. For example, there's a company called Rna Diagnostics which was formed by a scientist at AMRIC to bring one of their technologies to market. The technology allows patients to know early in treatment whether or not they're responding to chemotherapy. What that allows them to do is to switch to other treatments quickly if they need to in order to get better outcomes and avoid harmful side-effects.

Now, according to Statistics Canada, metal ore mining is, in fact, still the largest employer in Sudbury. They employ more than 5,000 people. But in the next 10 years, which sector is likely to grow? The creation of new companies such as Rna Diagnostics, the attraction of globally renowned scientists, and the match of investment from industry and advanced research and infrastructure is a new platform for growth and also improves patient care. The same is true for our communities right across the province. So the return on health research is real and measurable, but the challenge is sustaining the investment.

Our statistics show that only about 20% of the base costs that we have in order to do research at our hospitals are paid for by external, indirect cost-recovery programs, which means that hospital foundations and investment income are filling the gap. Of course, those are both unsustainable sources of funding. It's compounded by the fact that many research-granting agencies are reducing the absolute number of real dollars that they're investing and many of them are looking for a co-funded model wherein institutions like our own and universities are asked to match the direct costs of research. Putting this all together, Ontario's research hospitals are increasingly required to contribute more to the cost of research while receiving less investment. Of course, in any business, that would be an unsustainable model.

We'd just like this committee to consider three things as you advise on budget 2015.

We do need to continue to drive discovery. Specifically, we'd like to ask that you would maintain the commitment made in budget 2014 for the \$250 million of Ontario Research Fund investment over three years. It's a long-term investment in our future.

We also need to translate the discovery into value for patients and for the economy. The ARTIC model is a proven model of success to do that. We're asking that the Ministry of Health and Long-Term Care preserve \$3 million a year from their budget in order to fund our partners at Health Quality Ontario to do that work.

And just to wrap up, we also need to align health system funding reform for hospitals with the accountabilities that our research hospitals have.

Ontarians do rely on us to invent the future of health care, make sure it's used and to take care of the sickest patients in the province. We're simply asking that the funding reform makes sure that we invest in these roles.

Thank you very much for the opportunity to present. We look forward to questions.

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The Chair (Ms. Soo Wong): Thank you very much. Mr. Arnott?

Mr. Ted Arnott: Thank you, Madam Chair. Thank you very much, Karen, for your presentation. We're following this sort of rushed format, and you didn't get a chance to explain fully the three recommendations. Would you like to repeat them again and elaborate a little more on them?

Ms. Karen Michell: Sure. Yes. Thanks very much. Maybe what I'll do is ask David Hill to give a few London examples as well.

With what we're thinking of as hydraulic pressure in this country on research funding, there is a bright spot in Ontario, frankly, which is the long-term multi-year funding for research. Health care has historically won competitive grants of about 50%, and that allows us to transform what is in fact half of the provincial budget, our health care system. We are the R&D arm. We're saying, "You know what? Let's continue that as a province." Let's continue to have that one bright spot for our scientists and keep that multi-year funding through the Ontario Research Fund.

But you've got to use what you know. Anyone in business will tell you that change management is something that you have to invest in. That's what the ARTIC program is all about. For \$3 million a year, on a \$50-billion health care budget, we think it's a sensible investment in order to make sure that you can use what you know.

David, why don't you give a couple of examples of how that's happening right here in London.

Dr. David Hill: Sure. At Lawson, as in all of our hospital-based research institutes, we really think carefully about the research projects that we undertake. We undertake projects that are going to have a tangible effect on the quality of health care or the cost of health care.

I'll give you an example of a recent study. As you all know, we rely heavily on a very aging nuclear reactor, Chalk River, for many of our medical isotopes. If that

goes down, we're in trouble—deep trouble. So Lawson, together with a network of other institutes, created a network of cyclotrons.

We have a cyclotron here in London that's able to make radioactive isotopes for medical use in a much safer and cheaper way than a nuclear reactor—that whole network of 17 cyclotrons set out to test the capacity of the system and create just one medical isotope, Technetium-99, which is used in imaging for cardiology and for cancer.

We showed that that network all pulling together and integrating our resources and expertise can supply the whole country's need for Technetium-99. So if that reactor goes down, and it will have a life expectancy—at some time, we should retire it—we can actually become self-sufficient in medical isotopes. The cyclotron just in London can supply this whole city with all of the medical isotopes that it needs for those particular indications.

Another example that comes out of the imaging field is how do we get to grips with the increasing number of elderly patients who are suffering dementias—an enormous cost to our health system. If we're going to intervene, if there are intervention therapies, then we really have to deal with patients at the very earliest stages of disease.

At Lawson, we have been developing new biomarkers which will tell us, at the very earliest, biochemical changes that will occur in patients' brains who are destined to get dementias like Alzheimer's. Through the innovative use of imaging biomarkers, we have been able now to push out the diagnosis of Alzheimer's 15 years earlier than you would normally identify it by clinical cognition surveys. That means that if we can intervene, we can identify the population of patients who will respond best to our interventions.

Ms. Karen Michell: I think that's just a great example of where, if you invest some money in health research in our hospitals, it also draws in partnership with industry, because the application for patients is great. It does demonstrate how we can make Ontario healthier, wealthier and smarter by investing in health research.

Mr. Ted Arnott: I think I can say that, on behalf of all the members of committee, we appreciate the work that our research hospitals do for the people of Ontario. We thank you for your presentation today.

Ms. Karen Michell: Great.

The Chair (Ms. Soo Wong): Thank you very much for your presentation and your written submission.

Ms. Karen Michell: Thank you.

ONTARIO PETROLEUM INSTITUTE

The Chair (Ms. Soo Wong): The next group coming before us is the Ontario Petroleum Institute: Frank Kuri, the president, and Hugh Moran, the executive director. Gentlemen, welcome. As you heard earlier, you have 10 minutes for your presentation, followed by five minutes of questioning. This round of questions will be from the official third party. You may begin any time. Please

begin by identifying yourself and your position for the purposes of Hansard. Thank you.

Mr. Frank Kuri: Good afternoon, and thank you for inviting us to this forum. My name is Frank Kuri. I'm the president of the Ontario Petroleum Institute. One of the best-kept secrets in Ontario is that Ontario was the birthplace of the oil and gas industry. I'm just going to take a couple of minutes and go through the history, and then I'll pass it off to Hugh Moran, who is the executive director of our organization.

The Chair (Ms. Soo Wong): Can you sit down, Mr. Kuri, for microphone purposes?

Mr. Frank Kuri: Yes. In 1858, James Miller Williams, a coachmaker from Hamilton, dug into the tar-like gum beds of Enniskillen township to find their source. At a depth of 14 feet he struck oil, a full year before Colonel Drake drilled his oil well in Titusville, Pennsylvania.

This is how they drilled wells back then: They used spring poles. A spring pole is a long tree trunk. It's levered over a Y-shaped tree trunk, and there is a rock attached at the end of here that's the counterweight. The drillers jumped up and down on this platform, causing this tree trunk to go up and down. This chain goes up and down. At the end of this chain is a heavy steel drill bit. It crushes the rock and the well deepens.

In January of 1862 the spring pole method of drilling led to one of the greatest oil discoveries of the era. Hugh Nixon Shaw, at a depth of 157 feet, brought in the world's first oil gusher. Drilling tools flung skyward and oil towered over treetops. This started a drilling rush around Oil Springs.

By the end of 1862, over 400 wells were drilled in Oil Springs. Production from these wells varied from 50 to 750 barrels of oil per day. Twenty refineries were built in Oil Springs to handle the flow of oil, but it was too much for them, so the oil was sent by wagon over the newly constructed plank road to Sarnia to access the St. Clair River and export markets. So Sarnia is rooted in the oil fields of Ontario.

Imperial Oil was founded right here in London, Ontario, in 1880.

The first offshore gas well was drilled in 1913. Glenwood Lake Erie No. 1 was drilled to 411 metres.

Since then, over 2,100 gas wells were drilled in Lake Erie without impacting the environment. Over 25,000 oil and gas wells have been drilled onshore in Ontario, from Windsor to Sarnia, up to Owen Sound to Niagara Falls, and everywhere else in between.

Let's just look at one little community. Leamington, which has some of the most productive farmland in Ontario, also happens to sit above one of the largest oil and gas fields in Ontario. There are literally hundreds of gas wells that blanket the area. Here, greenhouses and oil wells stand side by side. Royalties from the oil wells helped landowners with seed money to build many of these greenhouses. The economic spinoffs of the oil and gas industry are enormous. This is still some of the most productive farmland in Ontario, even after 30 years of oilfield development.

The Ontario Petroleum Institute was founded in 1963 and represents oil and gas producers, related industries such as gas storage and cavern storage, and service providers.

This is where I hand things off to Hugh.

Mr. Hugh Moran: Thank you. We've had our history lesson; now we have to go to work on what's going on today. I'll have the opportunity to hopefully share that with you.

The oil and natural gas industry has benefited Ontario for 155 years, with economic activity of employment, job growth, tax revenue and royalty revenues that all go back to Ontarians—farmers and other folks—and the Ontario government. In 2013, we had 700 full-time employees who were involved in the oil and natural gas industry. We can pick anywhere up to 2,000 or 3,000 more beyond that who may be involved in indirect support of the industry.

1350

Madam Chair, the Ontario industry is challenged. This graph will show you that since 1990, drilling activity for both oil and natural gas has diminished substantially, up to 90% since that time, from a peak period of 1995. Production, likewise, has also been reduced, from 1.8 million barrels in 1995 to under 400,000 for 2014. The same with natural gas; we produce a third of the natural gas that we produced some 15 years ago.

The combined value of production in 1995 was \$101 million. In 2014, it will be around \$76 million. If we can get this industry back to the area where it was in 1995, you'll see that we'll double the revenues for 2015 and beyond.

This is an example of the royalty payments that go mostly to Ontario landowners and to the crown. The royalties from all offshore drilling go to the government of Ontario. The other royalties, which are around 12%, go to landowners who hold the mineral rights to oil and natural gas minerals in Ontario.

This gives you an example of the number of companies and organizations that we have involved in the industry. On the production company side, we've got about 100 companies that are involved in the industry; on the support services side—drilling contractors and others—we also have about 100 companies that support the industry.

For all of you who obviously represent us in the Ontario Legislature, oil and natural gas production is throughout constituencies in various parts of the province, while mostly in southwestern Ontario. The oil is down towards Sarnia and Windsor, natural gas towards Niagara Falls, in that particular area. And then, as Mr. Kuri mentioned, there are 500 producing wells on Lake Erie.

There's obviously no lack of opportunity for oil and natural gas—especially natural gas, and even oil, for that matter. These are projections out to 2035 as to what kind of consumption will be required.

It's understood that about 50% of the original reserves of oil and natural gas still remain in the province. This

gives you some indication of the established reserves and what the potential is. Part of the reason we have this reduction is that we're working off of information that's a bit dated. We need to get our geological studies upgraded so that when companies come in and explore, they have a greater chance of success. It's pretty capital-intensive to drill for energy products, and obviously we want to have the best information available for them.

The industry, as I've mentioned here a couple of times, has had a positive impact on landowners and agricultural finances because a lot of this stuff is done mostly in rural Ontario. It's been a general wealth and job creator for communities and for government over its 150 years of existence.

The key question, though, what we'd like to ask the government of Ontario and you, as Ontario citizens, is this: We import 99% of our oil and natural gas. We have a reserve here; we have less than 1%. Will we have an opportunity to provide more? Yes, we will. Should we be doing that? That's the question. Is it a priority? We obviously want to collaborate with the government on opportunities for jobs and other opportunities in the sector through exploration and development.

We have a list of five objectives.

First: We, the industry, are part of Ontario's long-term energy plan, so hopefully we'll get a commitment from the Minister of Energy to contribute to that plan. Three areas where we can contribute are that we can supply natural gas and power to the power grid; we can help underserved communities with product because of our infrastructure and expertise to be able to supply those communities—the agricultural community especially wants access to natural gas; and obviously the increasing demand that I showed in the graph—we can contribute to that increasing demand.

The Chair (Ms. Soo Wong): Mr. Moran, can you please wrap up the presentation?

Mr. Hugh Moran: Yes.

The Chair (Ms. Soo Wong): Thank you.

Mr. Hugh Moran: We need to upgrade our surveys; I mentioned the geographical surveys.

We'd like to talk about a tax incentive for the industry, to help support that drilling. We also would like to have an assessment review of the industry's assets done, because industry assets are a depleting resource, and we want to be able to correct that, especially the difference between a pipeline for an oil battery and a pipeline to deliver natural gas.

We have been actively promoting Ontario outside of Ontario for the last two years at conferences throughout Canada and the US, to invite companies to come here. We would like to ask the government to include us in their plans for economic development, to support key industries like ours and small business.

We have a library. It's a jewel of a resource that has data information going back 100 years. Anybody who is coming into the province who wants to explore, that's the first stop that they make.

We have the Ontario Geological Survey, which highly supports the mining industry. We'd like it to support our industry.

The Chair (Ms. Soo Wong): Okay, Mr. Moran, I'm going to stop you here, so I can ask my colleague Ms. Fife: Do you want to begin the questioning?

Ms. Catherine Fife: Ms. Sattler.

The Chair (Ms. Soo Wong): Ms. Sattler?

Ms. Peggy Sattler: Thank you very much for the presentation. You had to sort of rush through the recommendations that you brought to this committee. I wondered if there were any of those particular objectives that you wanted to elaborate on.

Mr. Hugh Moran: Thank you very much. The Premier's mandate letters call for the Ministers of Energy, Natural Resources, and Economic Development to steward energy, implement a long-term plan, and service underserved communities.

Economic development supports other sectors, including mining and forestry. We'd like to ask for support for our sector.

If we can increase the production to that of 1995, we'll double the number of jobs in the industry from 700 to 1,400.

Anybody who follows Economics 101 knows that housing starts create enormous activity. Drilling starts would do the same—all kinds of activity. We're promoting the industry. We are encouraging investors to come to Ontario. We'd like the government to support that too.

The industry has been a long-time contributor to the economy. We'd like to work together with this government to be able to enhance that industry for the benefit of the citizens of Ontario and make a contribution to the economy.

Thank you.

Ms. Peggy Sattler: Recommendation 4, around promotion of the oil and natural gas industry, recommends that the industry be included in the government's economic development programs that support key industries etc. Are you currently not included? Can you elaborate a little bit on this aspect of the recommendation?

Mr. Hugh Moran: I had a call from one of our members in Calgary, who was attending a conference in Calgary. The province of Alberta's ministry of economic development was there, promoting oil and natural gas. They were promoting, and rightfully so, the companies that provide goods and services to the Alberta energy patch. They were there promoting that industry. We would like them to help support us when we're out promoting the industry to have companies come to Ontario.

I know there are various programs with the Ministry of Economic Development. We have not engaged in them; that's part of what we want to do. But we wanted to bring it to this committee to indicate that this is an area of economic development of which we believe we should get support.

Ms. Peggy Sattler: I had a question about the graph on the projected growth, on page 11 of the slide deck: "Projected Growth in Ontario Demand for Oil and Nat-

ural Gas from 2013.” How were those projections determined? Where did they come from?

Mr. Hugh Moran: The Richard Ivey School of Business, at Western University, as you’ll see in our document, provided us with an economic profile of the oil and natural gas industry in March 2014. The information that we’ve prepared in this presentation comes in part from that economic profile. Many of the statistics in that profile came from Statistics Canada.

Ms. Peggy Sattler: Would these projections take into account new forms of energy production?

Mr. Hugh Moran: That projection is for potential energy use on the consumer side. That’s what those projections are. That’s what that graph means.

Ms. Peggy Sattler: Would it also incorporate increasing conservation and things like that?

Mr. Hugh Moran: That, I don’t have an answer for.

Ms. Peggy Sattler: Okay.

Mr. Hugh Moran: When you look ahead at projections—for instance, in 2035, regardless, we’ll have a growing population, which will increase our needs. But at the same time, if we’re committed to sustainability, hopefully those increased needs will certainly be offset by whatever responsibility has to be taken for the environment and—

The Chair (Ms. Soo Wong): Okay, Mr. Moran, thank you so much for your presentation, Mr. Kuri. Thank you, both of you, for being here and for your written submission.

I believe there’s a cancellation for 2 p.m.

1400

COMMUNITY LIVING LONDON

The Chair (Ms. Soo Wong): Community Living London: Are they here? That’s great. Thank you.

Murray Hamilton, member of the advocacy committee, and David Hill, member of the New Vision Advocates: Gentlemen, you have 10 minutes for your presentation, followed by five minutes of questioning from the committee. This round of questions will be coming from the government side. When you begin, please identify yourself as well as your position for the purpose of the Hansard. You may begin anytime. Thank you.

Mr. Murray Hamilton: Thank you. Good afternoon. My name is Murray Hamilton. I’m here today representing Community Living London. Community Living London is a not-for-profit organization that has been providing services and advocacy on behalf of people with intellectual disabilities for more than 60 years. With me here on my left is David Hill. He is the president of the New Vision Advocates. This is an organization of persons with disabilities who advocate on their own behalf for the services that they need. We’ll be sharing the presentation.

There are a number of issues that we would like to address pertaining to services to people with intellectual disabilities. These include residential services, day sup-

ports, employment services, respite support, workforce stabilization and Ontario disability support payments.

We’d like to begin on a positive note. We were pleased that the government, in the 2014 budget, allocated \$370 million in new annualized dollars to address some of the immediate pressures facing people with developmental disabilities and their families.

We’d also like to congratulate all the parties in the Legislature for your participation in the Select Committee on Developmental Services, which was chaired by Laura Albanese. The report was tabled in July 2014. It was gratifying to see all of the parties working together on such an important social issue. The recommendations are comprehensive and far-reaching.

In its guiding principles, the select committee identified two key issues that we would like to address today. The first is waiting lists. Currently, there are more than 14,000—let me say that again: 14,000—adults and children on waiting lists for residential services, many of whom are living with aging parents. There are more than 9,000 people on waiting lists for day supports, many of whom are young men and women who have recently completed high school without any prospect of employment or a day activity program.

To quote the committee, “All people have a right to appropriate and timely supports and services throughout their lives. The provision of developmental services and support should be mandated and wait-lists eliminated. The elimination of ... wait-lists must be the top priority for government.”

I would just like to speak for a moment to some of these points. First of all, the right to services: We believe that all people with intellectual disabilities have a right to services. Years ago, when we had institutions in Ontario, people were admitted to these institutions as a matter of right. Since they were closed, people no longer have a legal right to services. We believe that they should have those rights and that they should be mandated.

We support very strongly that the waiting lists be eliminated. The results of not eliminating the waiting lists lead to the issue of perpetual parenthood. Parents can no longer be satisfied with raising their children to the age of 20 or 25 and then seeing them go out the door. Adults are continuing to live with their parents into their 40s, 50s, 60s, 70s and 80s.

The government, we believe, has a social contract with these families to address these issues. This social contract has not been addressed in recent years.

A second guiding principle that was addressed was “building capacity.” This requires the injection of new funding and the development of a multi-year plan, in consultation with families and service providers, to develop those services that are necessary at every stage along the journey. One of the keys here is that it’s a multi-year plan and that it focuses on services that are required along the journey. These services change as people age and as their needs change.

In residential supports, there are currently 14,300 people on the waiting list. They have a broad spectrum of

needs. Some require intensive specialized supports in a structured environment. Others can be supported in a group home with three or four housemates on a 24-hour-a-day basis. Still others can live relatively independently with a few hours a day of support with food preparation and financial management. The recent allocation from the government addressed only 1,200 of the most critical situations. There's a long way to go.

Given the increasing cost of housing, particularly in the large cities—metropolitan Toronto, Ottawa and Hamilton—new, innovative models of public housing, along with support services, must be developed. As well, investors in the private sector must be engaged to assist in building affordable inclusive housing.

Day supports: Of the 9,000 people on the waiting list for day supports, the new Passport funding has alleviated some of the most urgent need; however, here too there's still a long way to go. Many families require many more hours of support than has been funded to date. If you are the parents of a young person who has just left school with no prospects of further education, a job, or an activity program, what do you do? This is a question facing thousands of Ontario families every day. Many parents are forced to give up their jobs and stay home and act as a full-time provider. Here again, new funds must be injected into the service system to support those families who are still the primary caregivers of their adult children. When do they get to retire?

Thirdly, we'd like to discuss the shortfall in the service system of respite care. Families who are the primary service providers for their children need a break. Sometimes these breaks can be scheduled; at other times they cannot. Significantly more dollars need to be invested in a more comprehensive respite care system to relieve those families worn down by the responsibility of caring for a loved one with very demanding needs.

Finally, I would like to address the issue of workforce stability. If community agencies are to provide professional, high-quality service, it is essential that the support workers and their supervisors and managers have a deep personal commitment to the people they support as well as the skills and the training to do their jobs with confidence and competence. They must also be fairly compensated. The government, the agencies and the unions have been working over the past few years to develop a template for a skilled workforce; however, front-line employees of community agencies continue to earn 25% less than their counterparts in the public service, who are doing essentially the same work. Not only are wages, pensions and benefits too low; the pay equity system introduced 20 years ago to address these issues is a debacle. It has not brought equity to the sector and has saddled service providers with legal obligations that they cannot meet without government support. In short, it needs to be overhauled or altogether scrapped.

I would like to invite my colleague David to address issues related to employment and the Ontario Disability Support Program.

Mr. David Hill: Good afternoon. My name is David Hill; I am the co-chair of the New Vision Advocates group. We are a group of people with developmental disabilities who advocate on behalf of people with disabilities. I am here on behalf of the New Vision Advocates to speak to the need for the government to take real, concrete steps towards improving the Ontario Disability Support Program, which currently forces people to live under the poverty line.

The majority of people like me who live with a developmental disability must rely on ODSP as their main source of income. The needs of people who receive ODSP benefits for an adequate income, dignity, and social inclusion have been neglected for too long.

The government has indicated its plans to continue the process of reform of OW and ODSP that began with the report of the Commission for the Review of Social Assistance in Ontario, but the recent changes to ODSP regulations made to date, with the exception of the \$200 earnings exemption, have made life more difficult and stressful for ODSP recipients and their families. Eliminating the Community Start Up and Maintenance Benefit, the Home Repairs Benefit, and the upcoming elimination of the \$100-per-month working benefit are all actions which actually increase the poverty of people with disabilities.

We are asking the standing committee to urge the government to raise the level of support to the monthly ODSP allowance to cover the real cost of living. The current rates do not even come close to covering living expenses or the cost of inflation.

1410

Increase the monthly ODSP allowance for all recipients by at least \$100 a month to help people better afford rent, to eat healthier and to participate in their communities.

Reinstate the Work-Related Benefit. This \$100 per month assists all of us that can work, even if it's only for a few hours a week. This benefit helps to pay for transportation costs, clothing or other related items needed to work.

Unlike Ontario Works, ODSP does not provide recipients with a bus pass. This is a huge barrier for many people who want to work, as a big chunk of their income must go towards the transportation cost of getting to work. People should not have to choose between spending money on groceries or getting a bus pass.

We'd also like to talk about expanding the employment supports for people on ODSP to include supports for all ranges of the differing needs. Just because a person is supported to get a job and to learn how to do the job does not mean they will not require support in the future to maintain their job. Funding is needed to allow for long-term employment supports for people with developmental disabilities that would be available to assist people to maintain their jobs throughout their working life.

On behalf of the New Vision Advocates, thank you. I will turn it back over to Murray to end our presentation.

The Chair (Ms. Soo Wong): Mr. Hamilton, can you wrap up? You're over the 10 minutes, and I do want the government side to ask both of you some questions. Okay?

Mr. Murray Hamilton: Okay, I will just be 10 seconds here.

All people with developmental disabilities require a fair and equitable access to supports and services, not just those in crisis. Current pressures and wait-lists need to be addressed, but within a system that will exist and support future generations of people with developmental disabilities. The plan must be able to respond to people and families before they are in crisis. Crisis response is often more costly in the long run than well-thought-out preventive strategies. If a long-term strategy is not created, sustainability of service and the quality of supports will be compromised. It is essential that Ontarians have access to a stable, professional and responsive developmental service system.

Thank you.

The Chair (Ms. Soo Wong): Okay. Thank you very much. Mr. Baker, you're going to begin the questioning?

Mr. Yvan Baker: Thank you, and thank you both for coming in and for all the work that you're doing. I have to say that, since being elected in particular, I've had a chance to meet with a number of constituents who are struggling with developmental disabilities and can appreciate the challenges that folks face. There's a lot of work to be done; no question about that. I think my colleagues feel the same way.

One of the things that I've come to appreciate is how much work needs to be done, but also the work that the government has tried to do. There are a number of things that I've learned. Laura Albanese is here with me, and she has shared with me a lot of information about—

Mr. Murray Hamilton: Congratulations. Great job.

Mr. Yvan Baker: So there are a few things that come to mind, and what I'd like to do is just talk about a few of them, if I may, but then ask for your reaction on how these are working or not.

Of course, there's an investment of \$810 million over three years to strengthen community and developmental services for folks. The idea, of course, was to provide funding for more families and to address the wait-list of families waiting. I know that part of this investment was to provide residential support for about 1,400 people with the most urgent needs. I also know that since the last budget until October, so over about a six-month period—or less than that actually, a three- or four-month period—about 7,900 people and their families were approved for direct funding. So that's another issue.

I know that as of October 1 of this past year, the government updated the eligible services, so expanded the scope of services, essentially, that are funded by the Passport Program—a couple of things, so that they could take part in community classes; hire a support worker; develop work, volunteer and daily life skills—

Interjection.

Mr. Yvan Baker: Respite; that's right—get some respite for their caregivers. That is important.

I know that we recently appointed David Onley as a special adviser on accessibility, to champion opportunities for folks in the public and private sectors. What I was hoping to do, as someone who is relatively new to this issue, but as an elected member who is seeking to learn—tell me a little bit about how this has impacted folks, whether it has been effective, and if so—

Mr. Murray Hamilton: Well, I'm not new to the field; I've been in it for 30 years. First of all, I think it's important that you recognize that the \$810 million over three years is not annualized dollars. That's 372 million annualized dollars. The way that the money was rolled out and the way that it was presented is that they kind of added annualized money and fiscal money together to come up with this \$810 million, but it's really \$372 million of base money. So far, that has gone to alleviate the 1,200 very high-needs persons, many of whom were wards of the children's aid societies who had reached adulthood and needed immediate service. There are still, as we said in the presentation, 13,000-some people who need residential supports. Some of them are very high-needs persons. Many of them have moderate needs, but they're living at home with families who are 50 and 60 years old, and sometimes it gets to the point where they are looking after those families. So it is really very critical that a comprehensive residential program be developed. The provincial auditor has just done a comprehensive report on residential services, so you can have a look at that. There are a lot of good ideas in there.

The Passport initiatives that have been introduced since the budget are helpful. There's no question about that. But, for the most part, they do not provide people with sufficient money to gain true independence. They provide a few hours of service. In some cases, families may not have been receiving any money at all, and now they may receive a little bit of money. That has been important, and that program needs to continue to expand, particularly to address the day support needs that we have identified, because there are many, many people who need day supports.

In the area of employment, I think the point that David was making is a very important one. There is government money now for people to develop an employment plan, but once that plan is developed and they go and get their first job, then the money disappears and there are no more support services. It's really, really critical that people continue to have a contact person, a support person, because people lose their jobs or they have problems at work or they have problems with colleagues. There needs to be constant follow-up—forever, really—to ensure that those jobs remain real.

In terms of the ODSP allowances: It has always been a program that people are fiddling with around the edges, and some of the recent fiddling, in terms of reduction of some of the services, has just not been helpful. The reduction of the \$100 earnings allowance has been really hurtful to those people who are earning very little money.

So if you're earning less than 100 bucks a month, or if you're earning between \$100 or \$200 a month, that is now gone. It's really important that they continue to have that money.

The Chair (Ms. Soo Wong): Mr. Hamilton, I'm very sorry. Your time is up. Thank you very much, both of you, for being here today—not just for the presentation, but for your written submission. Mrs. Albanese and I are both very involved with this file. As the parliamentary assistant to Minister Jaczek, I will certainly bring back your concerns.

Mr. Murray Hamilton: Thank you for having us.

ST. CLAIR COLLEGE

The Chair (Ms. Soo Wong): The next presenter is St. Clair College. I believe the president, John Strasser, is here today.

Good afternoon, gentlemen. I believe that you are both here—oh, the Clerk just gave me the name: Mr. Dolph Barsanti. Gentlemen, you have 10 minutes for your presentation, followed by five minutes of questioning from the committee. This round of questioning will be coming from the official opposition party. You may begin any time, and please identify yourself for the Hansard. Thank you.

Mr. John Strasser: Good afternoon. My name is John Strasser. I'm the president of St. Clair College. I'm joined today by my colleague Dolph Barsanti, who is the chief financial officer of St. Clair College.

1420

First of all, thanks for the opportunity to speak to you about our suggestions and to maybe provide some input for the upcoming budget. We are eager to collaborate with the province to support the investing-in-people pillar. We're focused on addressing the problems of students as they seek post-secondary education.

We have prepared a hard copy of our submission, and you have that; it's this one. We only have a short time to highlight some of the key points. I'd like to do that in about five key headings.

The first one is leadership. The Windsor-Essex region has one of the highest unemployment levels in the country. It has one of the highest poverty levels in the country. If you look at figure 1 and figure 2 in the submission, you will see where those numbers are relative to other major parts of the province of Ontario and where those numbers sit on unemployment as they apply to the regions surrounding the Great Lakes.

While we can celebrate \$2 billion of investment by Chrysler in the Windsor assembly plant, for example, to have leadership celebrate the addition of call centres—all jobs are good; we'll give that as a given. But to have a celebration to celebrate that is not correct.

From a post-secondary education level, we've posed a question in appendix A, which you can read. It basically says, "Does a university/college have a responsibility to prepare a student for the workforce or guarantee them a

job?" There are a lot of things in there that I think are important.

If we go to number 2, expectations in a post-secondary education environment: Again, if you go to appendix B, there's a focus on post-secondary education from several perspectives. I'd like to read some of them; they are excerpts from articles that have been written, and the sources of those articles are also contained in appendix B.

From Scott Schneider from Costa Mesa in California—and I'm quoting him now:

"I am a hiring manager at a Fortune 150 company. For the past six years, I have reviewed hundreds of resumés for IT auditors, and it has been an ongoing struggle to find even minimally qualified people, meaning my jobs sit open year after year. I am aware of similar hiring challenges at other companies. While I am all for expanding one's personal life experiences, the stark reality is that you have to have something to offer your employer." I'll repeat the last words: "you have to have something to offer your employer. A large part of the responsibility should also be laid at the steps of the colleges and universities which create 'fluff' programs to create revenue streams for themselves.

"In the meantime, businesses will continue to fill their staffing requirements with educated, motivated and 'eager to learn' resources from offshore because without qualified American college graduates"—and you can substitute "Canadian" in there just as easily—"there is no other choice. Wake up, America!"

The second article, from the perspective of the student, was contained in the *Globe and Mail*. A student writes under the title "Bachelor of Jeopardy:

"I, too, have felt the sting of rejection from prospective employers who were more interested in practical job skills than my sweeping knowledge of 18th-century British literature.

"As a holder of not one but two undergraduate arts degrees (a bachelor of arts in English and history, and a bachelor of fine arts in creative writing), I am quickly reminded by the working world that being intelligent and capable is no longer enough. You have to do something that makes somebody money." Again, I'm going to repeat those last words: "You have to do something that makes somebody money."

"BA grads aren't completely unemployable. We're just marginalized.

"For 10 years I made a half-decent living as a community newspaper reporter, as I will in my new career as freelance writer.

"Then again, tradesmen with six-month apprenticeships make twice the money."

From the perspective of a secondary school teacher, and this is from a high school English teacher in Virginia, "The result of these grand plans ... is that 'we are ending up with kids in upper-level math courses who do not know how to add, subtract or divide unless they use a calculator and who are lost when it comes to fractions.'"

He goes on to say that one of the frustrations is that we are zoning in on creative thinking and the big picture, and, "The result is seniors who are not just incapable of multiplication, but also unable to identify the verb in a sentence or come within 100 years of placing the Civil War." This, again, is from the perspective of a school-teacher.

From the perspective of parents—I don't want to run out of time—there's also the thought that in the National Occupational Classification, a federal government publication, there are more than 25,000 job titles, so when we are advising children to go into post-secondary education, we're not even aware of the options.

Then, finally, from the perspective of the policy-maker, the last sentence says, "... we value the trades so little in Canada. Official Ontario Ministry of Education policy is to treat the post-secondary options—college, university and trades—as equal. But many parents and teachers still treat the trades as second best, despite the employment opportunities."

So the expectations are important in terms of the government funding.

If you look at the funding for post-secondary education, if you look at table 1 and at figure 3, student funding for college students is 25% lower in 2013 than it was in 1992. The per student funding is the lowest in Canada, and it's certainly lower than for universities and high schools. That's just not acceptable.

If you go to narrowing the skills gap, the polling research done by Colleges Ontario shows that two-thirds of Ontarians say the main purpose of post-secondary education is to teach specific skills and knowledge that can be used in the workplace.

If you take all the data that's contained in that brief summary that I have, if you take 20 students today and they go to any university in Ontario and they take a three-year bachelor of arts program in classical civilization as a major—my son has a minor in classical civilization, which is the reason I picked that one, and I'm not speaking disrespectfully to all those people who want to do classical civilization. But if you take three years of classical civilization and take a three-year advanced diploma in automotive product design, the government of Ontario, in the course of the three years, will spend \$160,000 more, roughly, educating those classical civilization students than they will on automotive product design. That's important in terms of your deliberations. Where do you spend the money to make it the most value for you as a province? If it is in creating classical civilization students or anybody else, that's fine, but you should state that up front rather than saying that you can't meet a skills gap because you don't have enough money to train students.

Finally, the last one, efficiencies: There's a plethora of service providers in this province and it's actually getting to the point where it's confusing. If the rest of the province is like what we have in our region, people are trying to find ways to get help and they don't even know where to go anymore.

Thanks for the opportunity. I'd be happy to discuss any of this, or if you want to come to us privately to ask follow-up questions, I'd be happy to do that too.

The Chair (Ms. Soo Wong): Thank you very much. Mr. Fedeli, do you want to begin the questioning?

Mr. Victor Fedeli: Thank you. Well, it's a rather sobering discussion, to say the least.

Mr. John Strasser: Thank you.

Mr. Victor Fedeli: It has to be our role as legislators and as the provincial leaders to ensure that we provide students with an education in a field where there will be a demand. If you were talking to a student today—I'm looking at one of your pages here, "Does a university/college have a responsibility to prepare a student for the workforce or guarantee them a job?"—what would you send somebody into today? Where's our biggest demand today? Where should you be sending them and where should we be investing our money, rather specifically, here?

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Mr. John Strasser: That's a hard question to answer because some of it depends on aptitude—

Mr. Victor Fedeli: All things being equal.

Mr. John Strasser: What we don't do is expose the students to choices.

Coming through the secondary school system, we force them to take university math, for example, applied math. So they're already making choices, and they're making choices on something they know nothing about.

From my perspective—and I'll speak strictly from my perspective, not even from our college's perspective—we're trapped in a system that I believe is colonial at best. We've got an education system that says, basically, if my child is smart, he's going to go to university, and if he's not so smart, he's going somewhere else. That's wrong, in this century, with the demands that we have and the global economy we have. When you superimpose upon that now that a person going through and getting a trade—a lot of the trades don't work in a dirty environment. That picture is painted: The windows are all covered up, and people are getting dirty. It's not that way anymore. To be somebody who's skilled in automotive product design, for example, you have to have a lot of talent, and you can make a lot of money.

So if you have an aptitude to go in those directions—I have advised parents with children in high school to go into some of our classes, sit there for a class or two, get a feel for what's involved, because they may be a lot better doing that in the end.

One of our graduates from last year, Jason Fabok, is now one of the leading writers for Justice League comics. He could just as easily have gotten a BA in something at a university. He came into our system, he liked what he saw in animation and design, and today he's spending most of his time in LA doing that.

It's all about exposing them to choices—because at the end of it, you're not guaranteed a good job. When I graduated from university, as long as you had a post-

secondary credential, you were probably going to get a good job.

Mr. Victor Fedeli: We find, when we have these discussions throughout Ontario and within our ridings and with other stakeholders, that there's a lot of parental pressure: "I didn't go to university; therefore, you have to go." It's targeted towards that. Is that something that you would agree with or have heard anecdotally as well?

Mr. John Strasser: Oh, it's absolutely the case.

There were two recent ads that have disappeared from TV screens, and I think I know why. One has cars coming up to a shop. One licence plate says "lawyer," and they're driving a Volvo. The next one says, "manager, marketing," and they're driving a Toyota or something. The third one is a Maserati, and it's a tool and die maker. It disappeared because that's an image that—and the other one is a guy sitting behind a desk, and a lady comes by and says, "Can you make a copy of this?" He says, "Don't you realize I have an MBA?" She says, "Right. We have to train you first."

The perspective has to change in terms of choices. You can't have people at the age of 35 sitting in their parents' homes hoping that they can save enough to get on with life, because they're working two or three part-time jobs.

Mr. Victor Fedeli: Dr. Rick Miner, in his paper *People Without Jobs, Jobs Without People*—I think that title so aptly describes what's happening here. We have 600,000 people out of work. But if you're a tool and die maker, or if you're in a machine shop—try to find a welder today. We've got a need for 5,000 aircraft maintenance engineers coming up in the very near future, 5,000 pilots, but we don't see them being trained. We have a crisis coming up. We can acknowledge that we have an unemployment crisis and we have an employment crisis.

Mr. John Strasser: I think that's true. I know Dr. Miner; he's a colleague of mine who is now doing some good work in trying to provide a greater perspective for—

The Chair (Ms. Soo Wong): Mr. Strasser, sorry about this, but time for your presentation and your comments this afternoon is up. Thank you for your presentation as well as your written submission.

Mr. John Strasser: Okay. I appreciate it. Thank you.

TOWNSHIP OF DAWN-EUPHEMIA

The Chair (Ms. Soo Wong): The next group coming before us is the township of Dawn-Euphemia. I believe His Worship is here joining us, Alan Broad, the mayor, and it looks like there's a delegation from the township.

Good afternoon, Your Worship. I see that you have a couple of your colleagues. They are welcome to join you at the table.

Mr. Alan Broad: They're just going to sit behind us. Thanks.

The Chair (Ms. Soo Wong): Oh, okay. Your Worship, I know you have a gentleman sitting beside you on your left. Can you please identify yourself and him as

well for the purposes of Hansard? You have 10 minutes for your presentation. This round of questioning will be from the third party. You may begin at any time.

Mr. Alan Broad: Thank you, Madam Chair. My name is Alan Broad. I am the mayor of the township of Dawn-Euphemia. I have here with me Bradford Fox, the treasurer of Dawn-Euphemia. Behind me I have Councillor Bill Bilton, Councillor Paul LeBoeuf and Councillor Leslea Williams. The council for the township of Dawn-Euphemia welcomes this opportunity to participate in the government of Ontario's 2015 pre-budget consultations.

The township of Dawn-Euphemia is located in southwestern Ontario, in the southeast portion of Lambton county. The current population of the township is 2,049. Within the community, there are a number of small hamlets, including Florence, Shetland, Oakdale, Edys Mills, Rutherford, Cairo and Bentpath. The largest hamlet is Florence, with a population of approximately 150 persons.

The township has developed around an economy based primarily on agriculture, particularly cash-crop farming. The township's core infrastructure for maintenance purposes comprises 44 kilometres of hard-top roads, 389 kilometres of gravel roads and 109 bridges and large culverts. Our land mass is 44,500 hectares.

The township is home to the Union Gas Dawn operations centre. That includes the Dawn compressor station and underground storage pools, which are known as the largest in North America. The station is a major hub in the gas distribution network.

Our submission offers the council's views and recommendations in a few areas, including rural infrastructure funding and cuts to the OMPF fund.

Rural infrastructure funding: History has shown that when a stable, consistent and long-term framework is in place, investing in our municipalities creates jobs and improves the quality of life for Ontarians. According to the Conference Board of Canada, improving our roads, bridges and water systems generates up to \$1.20 in real growth GDP for each dollar invested and an average of 16,000 person-years of employment for every \$1 billion spent.

Predictable investments in core municipal infrastructure are vital to keeping municipalities healthy and safe. The current infrastructure funding model tends to support rehabilitation and replacement of existing infrastructure while ignoring new municipal infrastructure needs, such as sewage treatment facilities required to replace failing private septic systems. Partnering on important new municipal waste water systems will allow communities to meet federal and provincial standards and help protect our environment.

Cuts to the OMPF: Council is particularly concerned about the design changes and ongoing cuts to the OMPF fund, which has been the main transfer payment to rural Ontario municipalities for the past 15 years. In 2015, the fund was reduced by \$35 million to \$515 million. Enhancements to elements within the fund totalled \$5

million, which was a total of \$40 million removed from the transitional envelope within the fund.

In front of you, you will see the components of it. The two I want to point out are the bottom two. The fiscal circumstances in 2014 was \$50 million and in 2014 was \$55 million, which was a 10% change. The big one was the transitional: In 2014, it was \$134 million and in 2015, \$94 million. You can see at the bottom: in 2014, \$550 million; in 2015, \$515 million, which was a decrease of 6.36%. In 2016, the fund will be reduced a further \$15 million to \$500 million from the transitional envelope.

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The impact that these cuts have has been significant on our municipality. Our municipality has seen its 2015 transfer of \$745,600 reduced by \$534,400 from its 2009 level—a 42% reduction. The cumulative reduction totals \$1.556 million.

The magnitude of this cut is significant for a municipality where a reduction of \$20,000 represents an increase of 1% on our municipal tax levy. The 2015 reduction is equal to an increase of 8.34% to our general purpose tax rate. It has been 17% over the past two years.

The loss of OMPF funding creates impacts on our ability to deliver basic services to rural Ontario. We are concerned about the transitional nature of the OMPF allocations for our municipality. The transitional component has gone from 0% to 82% of our transfer under the new plan design.

The bulk of the annual transfer for most rural municipalities under the prior OMPF design was attached to a farmland component. In our case, it was 78% in 2012. The loss of the farmland component is deserving of special attention/recognition with respect to rural Ontario and provincial government policy. It has been part of the OMPF and its predecessor programs since 1998.

For several decades prior to 1998, successive provincial governments have recognized the value to the entire province of a strong rural economy by way of a property tax rebate program for farmlands. Qualifying lands received a direct payment from the provincial treasury of all Ontarians. This provincial policy rebated 75% of the annual property taxes.

In 1998, the property tax system was amended under the Municipal Act. The farmland rebate was streamlined by simply taxing qualifying properties at 25% of the base residential tax rate. This was a fundamental change to the funding of a provincially mandated policy. A policy that is presumably for the benefit of all Ontarians would no longer be paid for by all Ontarians. Under the new property tax mechanism, it is being paid by the non-farmland properties in rural Ontario: rural businesses and the homes of those living and working there. The rural farm community is now effectively rebating itself.

In recognition of this change, the farmland component was included in the original CRF, the Community Reinvestment Fund. This transfer program was designed to create revenue-expenditure neutrality for municipalities, resulting in the provincial uploads and downloads initiated in 1998. This funding by all Ontarians for a

provincial policy benefiting all Ontarians has now been removed from provincial transfers to rural Ontario. The 2013 redesign of the OMPF program has removed any farmland component.

Some \$1,919,500 in funding to our community would have been received from the provincial treasury had the old farmland rebate mechanism still been in place in 2014. In 2015, the township will receive only \$745,600 under the restructured OMPF program. This amounts to local subsidization of a provincial policy by at least \$1.2 million annually.

Rural sustainability: The impact—unintended in most instances—from the one-size-for-all-Ontario provincial policies and regulations in these past 25 years has devastated rural Ontario. The self-sustaining micro economies of hundreds of rural communities have disappeared. The survival of those remaining and the agri-business economy/farm gate that flows from them for the next 25 years will be critical to Ontario.

The ratio of road network to land mass in our township is approximately 1 to 100, which is that one kilometre of road accesses 100 hectares. This ratio is likely the norm for most of rural Ontario since the townships of southern Ontario were all laid out in the early to mid-1800s using the same basic grid template.

Lambton workforce studies reveal that the smaller the population of a rural community, the higher the likelihood that employed residents will be commuters. In our township, that rate is approximately 88%. This would include seasonal off-farm employment.

This access infrastructure is the single largest expense for rural municipalities. The decline of access is inevitable if the only source of funding the infrastructure is the farmland itself.

A comment from my colleague from Enniskillen in his recent guest editorial columns put the cuts to these transfers into perspective. The government recently announced funding of some \$45 million for homeless musicians in the GTA.

Rural Ontario could easily suggest it is a program that we are funding.

It is not a matter of insufficient provincial revenues, but rather a matter of spending priorities. Dawn-Euphemia council is asking the Wynne government and the current provincial Legislature to reinstate the farmland component of the OMPF transfers and to fully fund that component. Full funding means acknowledging that the long-standing farmland/food security support program is for the benefit of all of Ontario and must be funded by Ontario.

On behalf of the council of the township of Dawn-Euphemia and myself, I thank you for this opportunity and your attention.

The Chair (Ms. Soo Wong): Thank you very much, Your Worship.

Ms. Sattler, do you want to begin the questioning?

Ms. Peggy Sattler: Yes. Thank you very much for your presentation. I have a couple of questions.

The first is around the infrastructure piece. Do you have an estimate on what your current infrastructure deficit is in Dawn-Euphemia? And perhaps you could speak more generally about infrastructure deficits in other rural communities in southwestern Ontario.

Mr. Alan Broad: I'll turn that over to Brad.

Mr. Bradford Fox: On our five-year capital program on large culvert and bridge structures, just that in and of itself is in the neighbourhood of \$200,000 to \$300,000 annually, which is one structure per year. In looking at the cuts that we've just seen in the two years of restructured OMPF, there are two structures that will not get rehabbed in our five-year forecast.

Ms. Peggy Sattler: Okay. That actually leads to my next question. With this loss of OMPF funding and the impact on your ability to deliver basic services, what kinds of things have you had to limit or reduce because of the loss of this funding? You've mentioned not being able to undertake these infrastructure repairs, but what else has been affected?

Mr. Bradford Fox: The level of service on the entire road network is starting to decline. Hopefully, you are all familiar with rural Ontario, which does feed the province. They are gravel roads. The gravel needs to be maintained on an annual basis. In our case, we spend approximately \$500,000 a year just on applying minor amounts of gravel on that network. That doesn't include any significant rehabs or any improvements. As we mentioned in the presentation, the network is very similar throughout southern Ontario. The way it was laid out, for the lands to be accessed to continue to be farmed over the next 25 years, the network has to be maintained. Without a rural economy, without a rural population, without small rural businesses paying property taxes, the only payer left is farmland itself, which would be paying 25-cent dollars.

Mr. Alan Broad: We have a \$400,000 structure that was washed out approximately two years ago now—it would be going on two years—that we haven't fixed yet because of a lack of funding or a lack of being able to apply in to the programs to get funding. It's a townline road, so it's a joint with one of our neighbouring municipalities, which is going through the same problems that we are. So we now have a road sitting in Dawn-Euphemia that has been non-operable for two years, waiting for funding to come for it, because we just can't afford the \$400,000 to fix it today.

The Chair (Ms. Soo Wong): Ms. Armstrong?

Ms. Teresa J. Armstrong: So the government changed the formula of OMPF. What explanation did they give, seeing that farmland is the majority of what your assets are in your municipality?

Mr. Bradford Fox: In 2014, when the allocations were announced at our upper-tier clerk-treasurers' meeting, we invited staff from the OMPF directorate to give us a presentation and some explanation. I asked a question regarding whether there had been any sensitivity analysis conducted on where shifts in the pot were going. To my astonishment, the answer was, "No; we had not done any," and that's why they found themselves so flatfooted

when they were starting to realize the impact on the small rurals.

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What has happened is that there has been a large shift to large rurals. The greater the population—I don't know how rural you would consider the city of Windsor, but the city of Windsor and the city of Sarnia have seen a combined increase in their OMPF of some \$3 million to \$4 million. There has been a significant shift of the OMPF pot into the higher-population centres in rural Ontario and out of the townships.

Ms. Teresa J. Armstrong: Would it be a fair conclusion to say that they would like smaller townships to maybe merge and populate that formula so that they could get a bigger piece of the funding?

Mr. Bradford Fox: It wouldn't have any impact.

Ms. Teresa J. Armstrong: It still wouldn't have any impact?

Mr. Bradford Fox: It wouldn't have any impact, the way the formulas are set up. Again, our costs are the basic road networks. For most of rural Ontario, your property tax pays for the basic road network, policing and fire protection.

Ms. Teresa J. Armstrong: Where do you see your taxes in your township going in order to pay for those ongoing maintenance costs? How far do you go?

Mr. Alan Broad: That's the whole thing: How far do we go? The \$187,000 we're getting cut for 2015 is approximately 9%. That doesn't include anything with OPP policing; we are going to have a slight reduction there. That doesn't have anything to do with our regular costs for maintenance of gravel, snow removal and all that. It can go nowhere but up.

Ms. Teresa J. Armstrong: And what is this government's response to your challenges that you have expressed?

Mr. Alan Broad: The government made a response to one of our fellow municipalities that was, "Just go raise your taxes. The farmers can afford it." That was the response that the government had given us.

The Chair (Ms. Soo Wong): Okay, Your Worship, thank you so much for your presentation—

Mr. Alan Broad: Thank you.

The Chair (Ms. Soo Wong): —and Mr. Fox, and thank you to all the councillors who are here today. Thank you for your written submission as well.

MR. JEFF WESLEY

The Chair (Ms. Soo Wong): The next presenter is Jeff Wesley. Is Mr. Wesley here? Mr. Wesley, thank you very much for coming early. As you probably heard, you have 10 minutes for a presentation, followed by five minutes of questioning from the committee. This round of questions is from the government side. You may begin any time. Please identify yourself or the organization you represent for the purposes of Hansard. Thank you.

Mr. Jeff Wesley: Thank you, Madam Chairperson and honourable members. Good afternoon. My name is

Jeff Wesley, and I am here today as a citizen, father, grandfather, the last mayor of Wallaceburg, a current Chatham-Kent councillor and the chairperson of the Sydenham district hospital, as well as a vice-chair of the Chatham-Kent Health Alliance. I'm proud to call Wallaceburg my home, and I'm a great neighbour to Dawn township, who were up just before me.

I sincerely appreciate and thank you for this opportunity. I acknowledge with great respect the health care expertise of Chair Soo Wong and the assistance that my local MPP, Monte McNaughton, has provided in allowing for this opportunity today.

My topic will be the need for local and accessible health care in our small and rural communities. Although my message is about Sydenham district hospital in Wallaceburg, I believe my comments apply to small and rural communities across Ontario.

In 1956, Sydenham District Hospital opened. In 1990, our community raised \$2 million for needed upgrades. In 1994, 2003 and 2010-11, our community rose up, packed our local school with overflow crowds and made it very clear that our hospital stands for the tears, blood and sweat shed so willingly by so many over so many years. In my mind, no other hospital catchment area in Ontario has been as strong and passionate about a hospital as Wallaceburg, North Kent, South Lambton, Walpole Island First Nation and St. Clair township.

Why is Sydenham district hospital so important to us? Our emergency department, supported by a helipad, serves a catchment area of 25,000 people, including Walpole Island First Nation, and sees an average of 17,000 visits annually. Our emergency department is very successful, financially stable and well supported by five local physicians. It is also a department that is adapting to the emerging changes in health care. For example, with the full implementation of point-of-care testing, our patients and providers have a timelier lab result, saving about 45 minutes per test, which means faster diagnosis and less waiting—put another way, better care and improved patient satisfaction.

It was previously announced by the Ontario government that there was a need to improve emergency services in rural and northern Ontario. Our 24/7 emergency department is part of that solution. It's also worth noting that the Central Ambulance Communications Centre for the local area is also located on this hospital site.

While growth is occurring in the GTA, do not forget about rural Ontario. We are still here and our populations are aging and less healthy and the need for services is increasing.

Small and rural hospitals contribute to the local economy—jobs, taxes, purchases from local business—and they are a drawing point for industry and business looking to locate there.

Chatham-Kent Health Alliance serves an expansive geography. The emergency department at the Sydenham district hospital provides a significant number of people

access to emergent care services. It is a core program and a necessary part of the Chatham-Kent Health Alliance.

We recognize the financial pressures facing all levels of government, but the Ontario government and members of all parties have the opportunity to step up and support new models for health care delivery that can address the unique needs of our communities. In making strategic, directed investments in rural communities, the government and all members can signal a commitment to enhance the quality of life and attract/retain talent and business, a signal that also shows that you have not abandoned rural southwestern Ontario.

Chatham-Kent Health Alliance is leading health system innovation and collaborative efforts that are having a profound impact on our patients and our community. We have been told that our campus of care model is one such innovation. This request is your opportunity to allow us to continue to demonstrate how system integration and leadership can thrive in a rural community.

Our hospital, built in 1956, is in the lowest quartile for building condition—one of the most deserving needs in all of Ontario. We need a decision from the Ministry of Health to approve moving forward to stage 2—functional program—and stage 3, which is preliminary design, and the resources allocated to support it. We have the support of the local communities and of Walpole Island First Nation. We have the approval of the Sydenham district hospital board, Chatham-Kent Health Alliance and the Eric St. Clair LHIN to move forward. We are waiting for a response from the Ministry of Health.

This project is a unique partnership between the hospital, the Chatham-Kent Community Health Centres and Canadian Mental Health Association Lambton-Kent. Our proposal supports continued access to emergency department services while also offering better access to other care options that may be more appropriate for patients, all located on one site. Essentially, it creates a more cohesive health care delivery system in a rural community that we believe will enhance the overall health of the population, once realized.

It should be noted as well that this project, as presented, delivers \$3 million in annual cost savings from current set-up of operations, savings that can offset the funds needed to move forward. Local communities are ready to do their share, both from a financial and volunteer point of view, and rally behind a solution to our long-running local health care concerns.

The communities in the catchment area of Sydenham district hospital built and paid for our original hospital. We know how to get the job done and we are ready to get to work, but we need to be given the green light.

Thomas Edison said, "Our greatest weakness lies in giving up. The most certain way to succeed is always to try just one more time." Winston Churchill simply stated, "Never, never, never give up."

Our local communities have been vigorously and courageously supporting local health care and Sydenham district hospital since 1990. We will keep trying one more time, then again and again, as local health care is so

important to all of us that we will never, never, never give up.

Thank you for this opportunity.

The Chair (Ms. Soo Wong): Thank you very much, Mr. Wesley. I'm going to turn to Mr. Milczyn to ask you some questions.

Mr. Peter Z. Milczyn: Thank you, Councillor Wesley, for coming out this afternoon to speak to us. It's certainly a very important issue to your community and you're obviously a very passionate advocate for your community, I'm sure, on a lot of issues, but certainly on this one.

I was just wondering: How long ago was the latest application put in to the Ministry of Health?

Mr. Jeff Wesley: It was in 2013, and then we had some discussions from the Chatham-Kent Health Alliance in early 2014 to determine the status. Hence, we're coming forward saying that we need to push that status forward.

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Mr. Peter Z. Milczyn: Okay. Because we're in a finance committee and we're talking about budgets, I assume you're aware that the government announced, in the last budget, an infrastructure plan for the province of Ontario of \$130 billion over the next decade, and \$29 billion of that is for transportation infrastructure. The balance, \$101 billion, is for health care, education and other institutions. So there's certainly significant funding that is being planned for, and much of that will go into the health care sector. I assume you're aware of that.

Mr. Jeff Wesley: Yes, and I would suggest that if you told the Ministry of Health to move us on to the next stage, we could tell them that it's already paid for.

Mr. Peter Z. Milczyn: I, myself, in the riding of Etobicoke-Lakeshore, have a project that we're working hard to get the Ministry of Health to advance on as well.

It has been about a year and a half since your application was put in. You're waiting for the green light to go to the next stage. Have you been given any indication of when that green light might come?

Mr. Jeff Wesley: No, we have not. I should back up and just correct that we were in contact in early 2014 and 2013, but it actually started around 2012. But, no, we have not been given any indication on when we might expect a decision on that.

Mr. Peter Z. Milczyn: Well, I'm happy to follow up on that for you.

Mr. Jeff Wesley: I appreciate that.

Mr. Peter Z. Milczyn: I believe my colleague has some questions for you, as well.

Mr. Jeff Wesley: Thank you.

The Chair (Ms. Soo Wong): Ms. Hoggarth.

Ms. Ann Hoggarth: Good afternoon.

Mr. Jeff Wesley: Good afternoon.

Ms. Ann Hoggarth: Thank you for your presentation.

When this government was elected, we were told very clearly that people did not want to lose a lot of services, but they also wanted us to make sure that we try to get our financial house in order. I'm sure you agree with that.

I wonder if you realize that what people in Ontario pay in federal taxes versus what our transfer payments are is \$11 billion short. I have told several people in the past two weeks of these presentations that perhaps they need to speak—everyone in Ontario needs to ask for what Ontario is due. I wonder whether you had spoken to your MP about this.

Mr. Jeff Wesley: I can assure you that our MP and MPP and everybody else in our local area is well aware of what I'm saying here today and the fact that everybody has to come to the table and be part of the solution.

Ms. Ann Hoggarth: Great. Thank you very much.

The Chair (Ms. Soo Wong): Thank you very much, Councillor Wesley, for your presentation and your written submission.

Mr. Jeff Wesley: Thank you.

COMMUNITY LIVING TILLSONBURG

The Chair (Ms. Soo Wong): The next group coming before us is Community Living Tillsonburg. I believe Mr. Graf, the chief executive officer, is here.

Oh, there are three of you. Okay. Gentlemen, welcome. Good afternoon. You have 10 minutes for your presentation, followed by five minutes of questioning. This round of questions will be from the official opposition party. Can you please identify yourselves as well as your position with Community Living Tillsonburg for the purpose of the Hansard? Thank you.

Mr. Doug Cooper: Thank you, Madam Chair. My name is Doug Cooper. I'm vice-president of the board of directors.

Mr. Steve Martlew: I'm Steve Martlew, director on the board of directors for Community Living Tillsonburg and past board member of the Canadian Mental Health Association in Oxford.

Mr. Marty Graf: I'm Marty Graf. I'm the chief executive officer for Community Living Tillsonburg.

Mr. Doug Cooper: On behalf of Community Living Tillsonburg, we thank the Standing Committee on Finance and Economic Affairs for the opportunity today to provide you with recommendations for the developmental services sector.

Our organization has over 60 years of experience working with children with special needs and their families. We have provided you with a submission to the Standing Committee on Finance and Economic Affairs provided by the Provincial Network on Developmental Services, and are providing you with some of the highlights from this report.

The submission states: "The standing committee on developmental services made some encouraging and bold recommendations to help create a sustainable system that still recognized and upheld the rights of individuals with a developmental disability to be included, respected and valued in our communities across Ontario. It is important that the intent and recommendations outlined be aligned with annualized funding and a long-term strategy that helps put developmental services on solid ground. People

with a developmental disability have much to contribute to society, to the Ontario economy and the diversity of our communities. What is required is a plan that supports that vision.

“We were very pleased to see the recent investment in the 2014 budget, which included funding to reduce wait-lists, increase employment opportunities and residential options, and provide stability to the sector through wage increases to front-line staff. In total, the investment increases the developmental services budget by over \$300 million.

“Fiscal funding is extremely helpful in addressing current crises and short-term needs of the sector but annualized investments are a necessity for long-term sustainability and capacity within the system. A good example of short-term solutions is the housing task force that was created in partnership with MCSS.”

We are now starting to see the benefits from the announcement from last year’s budget. The staff in developmental services will be receiving the benefits of the \$36 million announced fiscally for this year and next. We anticipate staff will have access to those funds before the end of March. Our children’s services staff will be benefiting from an increase of an average of \$1 per hour that is effective January 1 of this year, which was recently announced by the Ministry of Education. Both investments will be addressing the wage increases that our staff deserves as well as providing stability to our workforce.

At the same time, we are hearing from families that are getting approved through Passport and Special Services at Home funding. We are seeing the benefits of these investments as individuals and families are being taken off wait-lists. Some of these families have been on waiting lists for seven years. We are already hearing that they are accessing respite that has been made available by these funds.

We would like to make reference to the data summary report that we have provided in our briefing to you. This data has been provided by Developmental Services Ontario South West Region. The data shows that for the past year there were 1,291 requests for group living and 1,251 requests for supported independent living in the South West region. That’s an increase from the previous year. Of those requests, 30 people were able to get group living supports and 20 people were able to get supported independent living supports.

In Oxford county, there were 60 requests for group living and 97 requests for supported independent living. In the county, two people received group living and five people received supported independent living supports.

A report by the Auditor General stated that “the number of people waiting for adult residential services and supports stood at 14,300 as of March 31, 2014, compared to the 17,400 who received services in the same year. Furthermore, wait-lists are growing faster than capacity; between 2009-10 and 2013-14, the number of people waiting for adult residential services increased 50% while the number served increased only 1%. We calculated that at this rate, it would take 22 years to place everyone who

is currently waiting for one of the two types of residences that house the most people—assuming no one else joins the list.”

We recommend that the government of Ontario recognize the dire need to address all service requests in a timely manner and seek the funding to meet the required need, such as:

—a long-term investment plan be created for developmental services that will create a responsive, flexible and sustainable system that will address current and future needs of people as their needs change. This will help to ensure that future waiting lists aren’t created and that community inclusion for people remains at the core of the vision of transformation.

—the plan and recommendations of the housing task force be supported and encouraged as a sustainable, long-term option beyond its mandated two years to address the lack of housing opportunities for people with a developmental disability and mitigate future wait-lists. Any residential plan needs to consider future needs and to accommodate a person’s choices and support level required.

Mr. Steve Martlew: Community Living Tillsonburg has reviewed the materials that the ODSP Action Coalition presented to this committee, and we support the material dated January 6, 2015, that recommends:

(1) A move towards adequate rates of income support. The current rates do not allow most ODSP recipients to adequately pay for shelter, utilities, nutritious food, transportation and other necessities.

1510

(2) Reinstate the Work-Related Benefit. The Work-Related Benefit provided \$100 per month to ODSP recipients and their adult dependants who have earnings from employment or self-employment. It was introduced in 2006 to recognize the costs of employment, such as transportation, clothing or other needs related to going to a job. In 2014, the government announced changes that will eliminate this benefit in 2015.

Community Living Tillsonburg, along with People First of Tillsonburg, Community Advocates Tillsonburg, and the ODSP Action Coalition recently held a session to review these changes with people who are accessing ODSP support. Many people voiced their concerns about how they will be affected by the loss of the Work-Related Benefit. Some of the comments were:

“Less money for food, shelter and clothing.”

“I wouldn’t be able to afford transportation to work, buy work clothes, uniforms or would have to use” other monies “or quit working.”

“I work three jobs, and every time I go to work, ODSP takes” monies away from “my husband,” who is on ODSP. “Our family loses money. The stress of working multiple jobs puts strains on my relationships.”

“Without the benefit, there is no incentive to work.”

Another consideration is allowing more people to keep more earnings, like in the province of British Columbia, before the clawbacks can take place. British Columbia allows earnings of \$800 a month.

Mr. Doug Cooper: We ask the standing committee to urge the government to set up an expert panel, including people who have lived experience of poverty, to provide research and advice on the criteria that should determine the level of income support for OW and ODSP.

In the meantime, a significant raise of at least \$100 per month should be provided for all social assistance recipients to make a start towards a level of income that will let people pay the rent, eat healthy foods and participate in the community.

We ask that the standing committee urge the government to reinstate the Work-Related Benefit for all ODSP family members.

We thank the committee today for the opportunity to present to you and look forward to your questions.

The Chair (Ms. Soo Wong): Thank you, gentlemen. Mr. Arnott, do you want to begin the questioning?

Mr. Ted Arnott: Thanks very much, Madam Chair, and thank you, gentlemen, for your presentation. I really appreciate it.

We heard earlier in the day from Community Living London, so it's great that we're hearing the local perspective from the Tillsonburg area as well.

Thank you for acknowledging the work of the Select Committee on Developmental Services. That was a committee that was comprised of members from all three political parties. I think they worked in a collaborative way, working together, which is something that we should do more so in the Ontario Legislature. I know that my colleague Christine Elliott was involved in the private members' resolution that struck it. The committee made some good recommendations, and the government needs to continue to work towards implementing those recommendations.

You said on page 3 of your report here that there were 1,291 requests for group living, and 1,251 requests for supported independent living in the South West region, an increase from the previous year.

How much has it increased in the previous year? Is there a percentage? Do you have numbers for the previous year, so we can compare?

Mr. Marty Graf: I wouldn't have that, but I can try to get that from the office.

Mr. Ted Arnott: Clearly, demand is continuing to grow.

Mr. Marty Graf: Yes. I believe it's probably in the neighbourhood of about a 20% increase—the number of people wanting to get into the system.

Mr. Ted Arnott: Then you further reference the report of the Auditor General that said “that the number of people waiting for adult residential services and supports stood at 14,300 as of March 31, 2014, compared to the 17,400 who received services in the same year.” The people who are waiting are almost as many in number as the people who are currently being served.

Mr. Marty Graf: Yes. That is a considerable amount of people waiting for service.

Mr. Ted Arnott: Absolutely.

Mr. Marty Graf: There is a need for developing more options for people. Some will require the more expensive options, but some will be able to get by with smaller amounts of resources.

Mr. Ted Arnott: But it underlines the magnitude of the problem.

Mr. Marty Graf: It has been there for quite a while.

Mr. Ted Arnott: On page 4, you said, “Another consideration is allowing more people to keep more earnings, like in the province of British Columbia, before the clawbacks can take place. British Columbia allows earnings of \$800 a month.”

What is the threshold in Ontario now?

Mr. Marty Graf: I believe it's \$200; \$200 is the amount that they can earn before the clawbacks begin.

Mr. Ted Arnott: In comparison to other provinces, I assume BC is the highest.

Mr. Marty Graf: I believe they have the highest, yes. It was Toby Barrett who had put forward a private member's bill about three or four years ago. I believe the target in his bill was \$700 before clawbacks would occur.

Mr. Ted Arnott: But certainly that would provide a greater incentive for people to get working—

Mr. Marty Graf: It certainly would encourage people to participate. It would give them more income. Again, most of this income would be spent in their community.

Mr. Ted Arnott: And many of them would transition into financial self-sufficiency over time, I would think.

Mr. Marty Graf: That's the hope. The reality, though, is that the Ontario economy needs to be growing and allowing for more participation of people with disabilities in the workforce. That is part of something that we're working on: trying to help businesses understand the importance of having an inclusive workforce and the value of having an inclusive workforce.

Mr. Ted Arnott: One of your last recommendations is asking that the government “set up an expert panel, including people who have lived experience of poverty.” This particular government likes to set up panels. They have struck a number of panels over the years to study problems. I would hope that the government would give consideration to following up on that recommendation.

Do you have any specific suggestions as to who should be on that panel to make these recommendations?

Mr. Marty Graf: I have had the luxury of being connected to people from the ODSP Action Coalition. These are people across the province who are sharing their stories and sharing their experiences. They're wanting to provide guidance to the government on how we can improve the way people are supported to be able to participate in the economy. Maybe if they're not able to participate by working, they can make volunteer contributions to our communities as well. There are many talented people from that group who would be willing to participate.

Mr. Ted Arnott: Again, thank you very much for making this presentation today on behalf of the people in Community Living.

Mr. Marty Graf: Thank you.

The Chair (Ms. Soo Wong): Thank you, gentlemen, and thank you for your written submission to the committee.

NEIGHBOURHOOD LEGAL SERVICES

The Chair (Ms. Soo Wong): The next group is Neighbourhood Legal Services. Are they here? That would be great. Thank you. Mr. Jeff Schlemmer: You're the executive director. You have 10 minutes for your presentation, followed by five minutes of questions. This round of questions will be coming from the third party. Please begin your presentation by identifying yourself and your position with Neighbourhood Legal Services.

Mr. Jeff Schlemmer: Thank you very much. As you said, my name is Jeff Schlemmer, and I'm the executive director of Neighbourhood Legal Services, which is one of 78 legal clinics in Ontario funded by Legal Aid Ontario, which is funded through the Ministry of the Attorney General.

I should just clarify, then—sorry, is it 10 minutes that you would like me to talk, or five—

The Chair (Ms. Soo Wong): No, 10 minutes for your presentation followed by five minutes for questioning.

Mr. Jeff Schlemmer: I might be quicker than that. I was expecting five minutes.

The Chair (Ms. Soo Wong): No, no.

Mr. Jeff Schlemmer: Hopefully you won't mind too much. We'll see. I apologize as well. I've got a cold. I've got my cough medicine handy here and my Fisherman's Friends out as well to get through this.

Thank you very much for the invitation to speak here today. We really appreciate the opportunity to provide feedback at budget time. The focus that I'd like to talk about this year is housing. As you might expect, our clinic is a poverty law clinic that serves London and Middlesex county, so our particular interest is poverty. The area of practice that we have is largely, these days, disability benefits—people applying for Ontario Disability Support Program benefits—but we also serve low-income Londoners by way of providing services for housing in the sense of providing attendant duty counsel at the local Landlord and Tenant Board and in providing representation for tenants who are facing problems with residential housing.

We're also involved in liaising and urging government at various levels with respect to the areas that involve us. I wanted to talk about a few of those today.

1520

As you well know, the government's five-year poverty program, for this go-round, is focusing on homelessness and housing. I think that's consistent with the thinking nowadays about ways of alleviating homelessness—through something that you've probably heard of called Housing First, the idea being that if stable housing can be provided for people, then that will do more than just about anything else to help them to establish a stable life. The thinking now is that you do that before you work on addiction, for example. That's something that the city of

London is certainly looking at, and I think it's a good idea. Within the context of that, there are a number of things that are going on, but broadly speaking, I wanted to talk to you about some problems.

Before I do that, though, I should acknowledge that I think it's fair to say that, under the present government, a lot of work has been done in the area of poverty. We are grateful for a variety of things that have happened. Just to list a few: the increase in the Ontario Child Benefit, the expansion of dental care for low-income families, the expansion of nutritional programs, increases in Ontario Works rates, increases in legal aid funding. Those things are important.

I think we increasingly recognize that the average poor person in Ontario is not somebody who is chronically unemployed. They are people who are temporarily employed and then unemployed. The way our system has been structured, traditionally, is that if you want to go on Ontario Works, on welfare, you essentially have to impoverish yourself and get rid of all of your assets and your means of getting yourself up on your feet before you can continue on.

I think that increasingly the government has recognized, and certainly studies have recognized, that, because the typical person who is poor goes through a cycle of having a fragile, low-paying job that ends; then they may qualify for some unemployment insurance and receive that for a bit, and that ends; then they go on Ontario Works; and then they eventually end up in a temporary low-paying job again—there is this cycle, and it makes sense to support them through all of the stages of that cycle, not just the time that they're on Ontario Works. That's why we've seen the move to improving things like dental care and the Ontario Child Benefit. That is obviously provided to the working poor, as well, and I think that is a good idea. The more things we can do to facilitate that move towards employment, even though it may be temporary, it may be a crappy job, that's all to the good.

We never want to have the kind of stereotypical situation that we hear about: that somebody is better off on welfare than they are working. That really doesn't happen in Ontario, but that's something that we hear about from time to time, because there are certain benefits that people on welfare can get that working poor people do not get. I'll come back to that in a minute.

I want to talk briefly about another issue, and that is the concept of downloading in relation to some of these programs. I mentioned the Community Start Up and Maintenance Benefit. That was cut in half by the province last year. That is a benefit that was traditionally provided to assist people who were on social assistance if their housing was in jeopardy. Our tenant duty counsel program would often utilize that. Typically, if people are being evicted, it's usually over one or two months of rent, and it's because something has gone wrong in their lives. These are people who live cheque to cheque, and if there's one thing that goes wrong, then they cannot pay the rent, and then they face eviction. The theory of the

program was that it was cheaper to pay that one month of rent to get them over that hump than it was to dispossess them and have them left out in the cold—not only the costs for them in terms of moving, but the costs for the landlord in having to re-rent and so on. That program has been very effective. In London, there are about 90 eviction applications every week, and of those we try to negotiate resolutions and are often able to resolve them based on help from that program. Because the province cut that program in half, the program has been significantly reduced. It's run by the municipality, and we have found that the uploading that the government has done in some other areas has not resulted in the municipality then taking that money and applying it to make up for the shortfall in programs that have been cut, like this one. For example, now that program is operating on the basis of a loan rather than a grant, which is not really practical for people who are on social assistance. They're also not providing help with moving anymore. These are all things that are bars to permitting us to negotiate resolutions of these cases, to get the person or the family over that one hump.

Similarly, a few years ago, the government passed a law requiring municipalities to implement granny flats. Municipalities are not happy about that. In London, the position that staff have taken is that they will permit granny flats, but as grudgingly as possible. The draft legislation that they've prepared with respect to the zoning bylaw is to say, "We will permit granny flats, but we will not permit them in a 12-kilometre-by-6-kilometre area of the city" where we know the granny flats to exist, which we call the greater near-campus area. They want a complete ban on that.

Now, God bless Mike Harris—first time I've ever said that. In 1995, he grandfathered granny flats and said that any built before that would be legal forever. So it's granny flats built within the last 20 years that we're talking about, and again, the province has clearly signalled their support for them. But because the legislation doesn't clarify to the municipality, "We're really serious about this," municipalities are trying to get away with things like, again, saying, "We'll permit them in the industrial areas of the city, but we're not going to permit them where they actually are."

Finally, group homes: We had a tragic experience in London a couple of months ago where a fellow died in an unlicensed group home. This caused us to realize that there are these homes that are completely unregulated. They are homes that are providing care and supervision for mentally ill people without any government oversight except to the extent that the municipality can control the building because they can control the property standards. As it happens, today the operator of that group home continues to operate because there's no law against it, and absolutely nobody is investigating the care or supervision of this home.

The response of the Ministry of Health and Long-Term Care so far has been to say, "We're not going to deal with it"; it's downloaded to the municipality. I sub-

mit that it's something that really should be the responsibility of a Ministry of Long-Term Care, because that's exactly what it is. It's not really the best answer to say the municipality is going to have to deal with it, because it's not really within their area of expertise. The province does oversee all kinds of other group homes, but all too often, as we see, it's the mentally ill who are the last to be dealt with. There's a serious gap in the supervision of those homes at this point.

I should mention just in passing as well—my time is running down—the idea of trying to help people who are poor move from social assistance to non-social assistance. We've urged that some incentive should be given to single mothers on social assistance to collect child support. As it stands right now, if they collect child support, 100% is taken away by the province, so between the father and the mother, they are left with less money to raise the children. It has been recommended that the mother should be able to keep some of that money to provide her with an incentive to try to get that child support and be satisfied that some of that money is going to remain within the—it's not a family unit anymore, but between the mother and the father, that the money will remain available to help the children.

Those are my submissions, subject to any questions you have. Thank you very much.

The Chair (Ms. Soo Wong): Thank you very much, sir. Ms. Armstrong, do you want to begin the questioning?

Ms. Teresa J. Armstrong: First I want to say thank you for coming to present to us.

One of the things that have highlighted some tragedy, as you mentioned, was the Oxford Street apartment building which ended up in a fatality and heightened the issue about mental illness, particularly in our city, and people having access to adequate housing and the fact that there were professionals going in and out of those buildings and no one took any action. Because that is the last resort that people were faced with. It was either having that residence or being on the street.

Interruption.

Mr. Jeff Schlemmer: I'm sorry; my timer just went off.

Ms. Teresa J. Armstrong: So I want you to speak a little more to that. You did mention the licensing of homes. How do you see the province taking a role in that licensing of homes? Do you think that's going to further the quality of housing for people with mental health issues?

Mr. Jeff Schlemmer: Yes, and I think that it is a carrot-and-stick thing in the sense that there are a lot of groups homes that are privately owned and operated, and that's fine, but they are overseen by the province. They're required to be licensed. I noticed in the Toronto Star last month that there was a seniors' home in Toronto that has lost its licence and is in the process of being shut down, for example. I think the public would expect that that exists.

I have to admit that when I found out that there was no oversight of this place, I was quite surprised, and everyone I've talked to has been quite surprised, because we just assumed that the government is somehow overseeing these places. As you say, there are certainly government workers involved in one way or another. There are social workers coming and going. The office of the public trustee is paying rent to the landlord. But we found that there was definitely a gap amongst us as service providers, because we all assumed somebody else was looking after it.

1530

So again, it's just one of those things that happens: We have laws to cover a lot of problems, and every so often, we find a problem that we haven't legislated yet. This really has uncovered the problem. As I say today, the fellow operating this place is perfectly free to continue to operate legally, even though the conditions are terrible. There is just no law against it, and there really should be.

So I think that, by extension, the kind of supervision and oversight that is provided—for instance, there is a statute called the Homes for Special Care Act; it licenses group homes. There are four of them in London; they provide 40 beds. This kind of oversight that they are providing, or that the Ministry of Health and Long-Term Care is exercising with respect to those homes, should be extended to these other homes, where they are found.

Ms. Teresa J. Armstrong: Going on that theme of housing, there was another fire that occurred on Dundas Street in a hotel, and it was no surprise that people who live in poverty—that was their option for housing. Can you tell us what your vision is, or what your thought is, about the government playing a role in assisting, or being a partner at the table, when it comes to affordable housing for people who are vulnerable, be it mental health issues or addictions or poverty—geared to income? We haven't seen a lot of construction with respect to that, probably since the mid-1990s.

Mr. Jeff Schlemmer: No, that's right. It's a problem because, as I've been told many times, if a builder is going to build a housing unit, most of the construction cost is going to be the same, whether it's a luxury unit or a low-income unit. So it's just not profitable to make units for low-income people. We have certainly seen some construction, but nothing like we used to, in terms of low-income housing.

Frankly, I have to admit, between the private and public ownership part of it, I don't really care. To me, we should do whatever is cheaper and is going to get the job done.

One of the things that we have suggested in our submission is that perhaps there should be a housing benefit paid to people so that low-income people, as they transition from social assistance to low-paying jobs, have stability so that they can continue to pay rent and not be dislocated. So I think that solutions like that may help a lot as well.

It's not always a matter of putting shovels in the ground, although that's part of it. But I'm conscious, as

well, that most of the low-cost housing that's being built now is not really affordable for people on social assistance, that the assistance that's usually provided to the housing provider is by way of help with mortgage and so on. They are required to charge rents that are beyond the means of people on Ontario Works. So for people who are the poorest of the poor, we're actually doing a lot less in housing than we used to, and that is a problem.

Sometimes I wonder whether that's because it's attractive to say you're building an affordable housing unit, but you kind of blur over the part that, yes, and in order to be able to afford that, you're going to have to be working, because if you're on social assistance, it's too expensive. It's not really that affordable.

The Chair (Ms. Soo Wong): Thank you very much for your presentation, Mr. Schlemmer.

Mr. Jeff Schlemmer: Thank you.

The Chair (Ms. Soo Wong): Thank you for your written submission as well.

Our next presenter is Violence Against Women Services Elgin County. Are they here?

FOOD AND BEVERAGE ONTARIO

The Chair (Ms. Soo Wong): I'm going to call the next one: Food and Beverage Ontario, Mr. Beal, executive director. Welcome, Mr. Beal. As you know, you have 10 minutes for your presentation, followed by five minutes of questioning from the committee members. This round of questioning will be coming from the government side. You may begin. Please identify yourself for the purposes of Hansard.

Mr. Norm Beal: Thank you very much. I guess you guys are saving the best for last today; that's nice to see.

Good afternoon, Madam Chair and members of the committee. My name is Norm Beal, and I am the executive director and chairman of Food and Beverage Ontario. On behalf of our members, I want to thank you for providing this opportunity today to inform you of our efforts to increase jobs and investment in Ontario.

You will have heard from many individuals representing Ontario's manufacturing sector. Undoubtedly, you will be informed of the many challenges facing our industry in the competition for new investment and growth. Our members face these challenges every day. But I'd like to spend a few moments today focused less on the challenges and more on the opportunities.

The food and beverage processing sector is Canada's largest employer. The sector has proven to be resilient to recession and is the primary customer of thousands of families employed on Canadian farms.

Ontario food and beverage processors recognize the importance of growth in the sector to our employees and our partners, to Ontario farmers, and to millions of Ontario consumers who depend on our sector to provide healthy, local food and beverage products. That's why we've invested considerable effort over the past two years to refocus our organization and build a plan for growth. Our members are committed to reaching a target

of 185,000 jobs in our sector by 2020. That goal reflects an increase of over 60,000 jobs. To achieve this goal, we will need more than the collective effort and acumen of our members. We must lever the efforts of our partners in the research and agricultural communities. That is why our partnership with the Ontario government through Growing Forward 2 is critical. In 2014, we entered into an agreement with OMAFRA that will provide a capacity to map and support research, share innovation, incubate emerging industry opportunities and develop the talent we need to grow. These are exciting opportunities that will pay dividends in the growth of our sector.

Today, I want to touch on some of the other initiatives that will help to ensure that Ontario is a leader in the food and beverage sector.

Given the fiscal events of the past couple of months, it will come as no surprise to you that the competitive environment is, to say the least, dynamic. We compete in a global food and beverage environment, where investment in growth is determined by many factors, including currencies, petroleum and oil and energy derivatives, transportation and production costs, availability and quality of raw materials, regulatory requirements, and the availability of a trained labour force. We believe it's important to understand the competitive environment, particularly as it pertains to other jurisdictions.

Given the dynamics of the marketplace, it is critical to have a sophisticated understanding of how Ontario compares with other states and provinces in attracting investment in the food and beverage sector. While reaching our growth target will require new investment in innovation and the incubation of emerging categories, a development and retention strategy for existing processing is equally important.

Between 2006 and 2014, Ontario job losses from food processing plant closures were over half of the total sector job losses in Canada. Of even more concern, Ontario lagged behind other provinces, notably Quebec, in attracting new investment to replace those job losses. This trend must be reversed. That is why we will focus some of our attention on developing a retention and investment strategy informed by our research into jurisdictional competitiveness. We will work with the government to identify the factors that can help make Ontario a more attractive location for food and beverage processing, and recommend strategic improvements and investments that will grow jobs in Ontario.

In closing, I'd like to emphasize three important factors that are critical to reaching our growth target. First, we believe the partnership with OMAFRA is the cornerstone for growing food and beverage processing in Ontario. We are proud to be a partner with OMAFRA in this challenge. Secondly, we believe Ontario food processors and consumers give us confidence in the future of food and beverage processing. Simply put, the increasing consumer awareness of the importance of food and beverage quality and safety bodes well for Ontario processors and producers. Third, our members are committed to growing in Ontario. We believe that our industry is

well suited to lever investment, grow jobs and build a healthy Ontario.

Thank you again for this opportunity. I look forward to addressing any questions.

The Chair (Ms. Soo Wong): Mr. Beal, thank you very much for your presentation. Is there any possibility for you to submit your presentation to the Clerk by Friday at 5 p.m. so that we all have a copy of it?

Mr. Norm Beal: Absolutely.

The Chair (Ms. Soo Wong): Thank you. Ms. Vernile, can you begin the questioning?

Ms. Daiene Vernile: Good afternoon, Norm. Thank you very much for coming and chatting with us today. I will say that every single person in this province has an interest and a stake in what you do, so thank you for informing us of the important work of your association.

I want to ask you a little bit more about this concept of retention. I know that in your delivery you don't get a lot of time to get into details, so I'm going to give you that opportunity now. Talk to us about what you mean by retention.

Mr. Norm Beal: As you know, we've had several major plant closures over the course of the last year or so. Another one was announced again yesterday: Quality Foods in Toronto is closing their plant or relocating and shedding about 200 jobs.

1540

Ontario has some phenomenal attributes from both a producer and food and beverage processing sector perspective. We have the highest standards in the world in terms of food quality and food safety. We have great raw materials grown by all of our very successful farmers in the province of Ontario. We have tremendous diversity in the raw materials that are produced in Ontario. So for a plant that's operating in Ontario, they have pretty much everything they need. What they need now is a good economic environment. That means competitive electrical rates; that means a labour environment that needs training and skills development that allows us to bring people into the industry and create opportunities there.

I'll give you an example. My far past is in the commodity trading business. I spent a lot of time in the US, trading oil. But for the last 15 years I have owned a winery I built from scratch in the Niagara Peninsula.

Ms. Daiene Vernile: I knew there was a reason why I liked you so much.

Mr. Norm Beal: When I built that winery, and it was a very significant investment—it's one of the larger wineries in southern Ontario—my biggest risk factor happened to be, "Where do I find good wine-making skill? Where do I find good salespeople that understand about the tourist and hospitality business?" I have a restaurant attached to my business. And there weren't many skilled people. Actually, my first winemaker that I employed in my winery was from France. I brought his family, his wife and children, over from France because there was no Ontario-based talent. He no longer works for me. I have a winemaker who was a graduate of Brock University in their oenology department. My assistant winemaker

is a graduate from Niagara College from their wine-making program. About 50% or more of my staff are all recent graduates, or graduates over the last 10 years, from educational institution settings specialized in my business. That is critically important to retaining businesses in Ontario because, frankly, if they can't find those skill sets here, they'll have to move to other locations.

I just want to comment, because it's very, very important: In 2008 and 2009, during the last recession, a number of states in the United States suffered tremendously, much more than the Ontario economy, as you probably know. In states that border along the boundaries of Ontario—Ohio, New York state, Michigan—the governments of those states went through dramatic changes. I'm not proposing that Ontario take such a dramatic process, but they rewrote labour laws. They changed tax incentives. They changed the way they taxed that industry. They have, overall, managed to stop the hemorrhaging in terms of the food and beverage processing sector in those states, but they're now growing again. That's something we need to look at. We need to look at the competitive advantages that they have now gained over Ontario as we move forward.

The Chair (Ms. Soo Wong): Mr. Beal, I believe Mr. Baker has a question for you before we wrap up your presentation.

Mr. Norm Beal: Sure.

Mr. Yvan Baker: Thanks very much for coming in today and presenting to us.

One of the things that I was hoping you could talk a little bit about—you alluded to it, but I'd appreciate it if you could talk a little bit about your relationship, and the industry's relationship, with the provincial government. For example, I understand that Minister Brad Duguid recently announced \$49 million towards the industry. So I'd be curious to know—I guess it's a two-part question. The first is, can you talk a little bit about your relationship with the provincial government and how that's helping to support the industry, and where would you like to see that \$40 million invested?

Mr. Norm Beal: That's a great question, and thank you for asking it. First of all, I would like to say that if you go back three or four or five years, I don't think the Ontario government realized that we had a food and beverage processing sector. I don't think they had any idea that it was the second-largest employer in the province and the second largest in terms of GDP for the province.

I can guarantee you right now that Premier Wynne understands our sector as well as any Premier probably ever has and understands the importance of our sector in terms of creating jobs. That's why she has come out and really put forth this 120,000-job challenge. She has really put that on our shoulders in our sector. Frankly, Food and Beverage Ontario is going to lead with that challenge.

I believe right now that through Minister Duguid, Minister Leal and the Premier of this province, we're front and centre. They're counting on us and we're counting on their support to create those 120,000 jobs.

To the second half of your question, the Jobs and Prosperity Fund has just recently been announced. I think the devil will be in the details. There are a lot of different ways in which the government can help. I don't necessarily believe that it's all writing cheques to our industry; I think there are other ways that we can help leverage business opportunities for the food and beverage processing sector. Some of those should be through tax credits rather than through applying for government grants, whether it's GF2 or Jobs and Prosperity. But we'll have an opportunity, I think, over the course of the next six to eight months to a year to be able to give feedback to the government about how those programs can be best suited.

We certainly have been asked to give our advice to Minister Duguid on the jobs and prosperity funding. We have done that, and we will continue to engage him as he engages us to make sure that that program gets the best value for its buck. But let's face it: Three years ago, Growing Forward 1 was a producer-funded program. Growing Forward 2 had a third of its component directly related to the food and beverage sector. I can tell you, I know many organizations, companies, that have taken advantage of Growing Forward 2 and driven real efficiencies into their organization as a result, so that's driving real results.

The Chair (Ms. Soo Wong): Mr. Beal, thank you for your presentation. We look forward to seeing your written submission by Friday.

VIOLENCE AGAINST WOMEN SERVICES ELGIN COUNTY

The Chair (Ms. Soo Wong): Our last presenter, I believe, is Violence Against Women Services Elgin County. I believe it is Liz Brown, executive director, who will be presenting this afternoon. Ms. Brown, can you come forward? While you're getting ready to sit down, I just wanted to give you the administrative piece. You have 10 minutes for your presentation, followed by five minutes of questioning from the committee members. This round of questioning will be from the official opposition party. Please take a seat and identify yourself for the purposes of Hansard. Thank you.

Ms. Liz Brown: Hello. My name is Liz Brown. I'm the executive director of Violence Against Women Services Elgin County. I feel like the microphone is miles away from me, so I might have to lean forward a lot.

Thank you for having me here today. Our agency provides safety and counsel to women and children from across St. Thomas and Elgin county who have experienced abuse. We do this with a 24-hour help line, community-based counselling and specialized counselling for women who have experienced sexual trauma, which we believe is a fundamental violation of the mind, body and spirit and, as a result, necessitates a profoundly complex and compassionate response to foster healing.

We provide counselling for little beans as young as four years of age and as old as 18 who are boys and girls whose mums have suffered abuse at the hands of often

their fathers and sometimes people who have loved them. And 24 hours a day, we provide safety in our emergency shelter.

For 35 years, we have literally saved lives and changed futures for thousands of women and children. It's difficult, because really what makes abuse hard is that it happens in the context of relationships. It's not a stranger; it's not someone we don't know; it's someone whom we know intimately and often love or trust. As a result of that, there are many costs that abuse has on the youngest people that we serve, which are little babies who have just been born and who have been abused in utero while their mother was living with the abusive partner. The oldest woman we served last year was 92. She was being sexually abused by her son-in-law, who was her caregiver. This is the spectrum of people we serve every single day. In communities across this province, this would be real where each of you are from.

There's a huge economic cost to abuse. The most recent estimate is \$7.9 billion across Canada.

You already know that there are 13.6 million Ontarians. When you take that percentage of the population by the percentage of the cost, you get \$2.99 billion—which is wild money for me—that it costs in the effects of violence against women and children every year in the province of Ontario. That only encounters the costs in our justice system, the costs to the primary victims and the costs to third parties, such as children.

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We also know, and I think it's real to say, that the costs of this form of violence are way more than dollars and cents. They affect our hearts, our minds and our bodies. They affect our capacity to hold down work and our capacity to be able to contribute to our communities and our economies. And yet, each and every single day, families leave abuse and they come to our door and they come to the doors of literally hundreds of shelters that you fund across the entire province of Ontario. There they find safety, they find hope, they find counsel and they find support.

They tell us every single week what that means to them: that it has literally saved their lives and kept them on this very planet that they wish to be upon to be able to create safety for their children.

Now our infrastructure needs huge reinvestment to be able to continue this life-changing legacy. Our shelter in St. Thomas is in a 98-year-old single-family home. In fact, it's 99 years old this year. There are seven bedrooms and two bathrooms, and as I sit here today there are 25 women and children crammed into that space seeking safety. Every year through those doors we see 300-plus women and children. We are the only shelter in a community of 87,000.

We need more space. We need the kind of space that has dignity so that families can heal from the trauma they have experienced and do so by sharing a room together, not with strangers. We need to have the kind of space where children of all ages can play and release the fear

and worry that they carry as a result of trauma and violence and abuse.

We need to be able to continue the partnership that we have with the province of Ontario to create this space, and we need to do this in partnership with our community. In June 2013, we asked our community to have a very painful conversation. We actually asked to be invited into people's homes, businesses and service clubs to talk about abuse, to talk about their friends, their neighbours, themselves and what was happening in their homes.

We had many men come forward and talk about sexual violation as children. We had many women come forward and talk about the same, and we had many women talk about what was happening in their day-to-day lives. We asked for 1,000 conversations; we had 1,557. We asked for \$1 million; we raised \$1,125,000 in 12 months in St. Thomas, the hardest-hit economic community in the province of Ontario, because people want to see a home for women and children that has respect at its core and a place where our community can come together as women and men in the same space to dialogue, to problem-solve, and to let the reality of abuse settle into our bones and to act to fix it.

At the same time we launched that, we also sent an infrastructure proposal to the province of Ontario. It is for a very small amount of money in the broad scheme of things. In my world, it's huge. It's for \$1.93 million—one-time, no additional annualized operating expenses required for that new building. We've actually had an engineer cost out the cost to have it run based on the fully complete technical drawings we have, and it's the same as the cost now to run a building that is only 1,500 square feet compared to one that is 7,000. It will have the space for people to heal; it already has the community support.

Literally at my office—and I intended to bring them today but ran out of time to get here a little bit earlier—I have toilets; I have all the toilets for the new emergency shelter at my office. Fortunately, we have a storage unit downstairs. I have every faucet for the new space because Masco Canada gave them to us. We have doors for every single part of the new shelter because a local company here in London, which covers the entire North American market, has given them to us. They are walnut, and inside is a steel body that cannot be penetrated by bullets, but outside is a warm wood surface to provide welcome and hope. As a side note for the political nerds in the room, of which I am one, they have supplied those doors to the White House—kind of fun.

We have land. It's remediated. It's shovel-ready. It has been rezoned. It has site plan approval by the city of St. Thomas. The city of St. Thomas dipped into their reserves and gave \$50,000 towards making this happen. Nobody in our neighbourhood appealed to the Ontario Municipal Board; we went door to door to each of them and asked them about their mothers, their daughters and the hopes and dreams they had for their community. They want us, and they're ready for us. The land is there. The plans are complete. The construction manager is hired. The tender is prepared and ready to go. It can be

out and on all of the respective websites within four hours of you granting those funds.

We can continue what has truly been a life-saving legacy for over 35 years only in partnership, I believe, fundamentally, between communities of kindness and provincial governments of conscience. This is what has made 35 years of keeping women and children on the planet possible.

I thank you for your consideration of this request.

The Chair (Ms. Soo Wong): Thank you. Mr. Arnott, do you want to begin the questioning?

Mr. Ted Arnott: Thank you, Ms. Brown, for your passionate and powerful presentation. I think it has had an effect on all of us. We appreciate the work that you do.

If I can ask, what more will the building encompass? You said \$7.9 million—

Ms. Liz Brown: No, not \$7.9 million. The total cost of the building is \$3.2 million.

Mr. Ted Arnott: Sorry.

Ms. Liz Brown: That would be a big building.

Mr. Ted Arnott: The \$7.9 million, I guess, was the economic cost of—

Ms. Liz Brown: Yes.

Mr. Ted Arnott: Sorry. Tell me a little bit more about the building.

Ms. Liz Brown: Certainly. The building has two parts to it, which is quite extraordinary and, actually, unheard of in the province of Ontario to date. Everyone will be coming in through the same door.

There is a space for the community to gather, both women and men, to be part of the solutions needed. There's a space for the community to cook full meals for the women and children staying there, to be able to bring their donations and their gifts towards creating safety together. There's space to do that while protecting the privacy and confidentiality of women and children who are staying there.

There's an acre of land, and there's a good-sized property that we are not going to be building on, where we're going to have a garden. We're going to grow our own fruits and vegetables, and we're also going to sell them at the Horton market. This sounds kind of funny, but our counsellors are going to sell cabbage. In doing so, they're actually going to take away many of the stereotypes and fears people have about speaking to a counsellor and about talking about the reality of harm. So we have a self-sustaining space in the building as well.

We have a beautiful play area that has been fully financed by a private donor from an estate that allows for children of all ages—up to 320 pounds, actually, the play equipment is tested at—to be able to play and to enjoy the routine of childhood.

We have bedrooms that allow adjoining doors so that women from our Mennonite community can have all of their family sleeping in one room.

Mr. Ted Arnott: You'll have fundraising efforts ongoing, I assume, too. Is that correct?

Ms. Liz Brown: No, we are done. We have \$1.125 million. We have done more than the million-dollar goal we set for ourselves. We are really clear that, because it is a partnership, this province does not want to have a shelter anywhere in it that was 100% fundraised by donors—because together, we can create the safety. So we raised almost half, and we're waiting for the other part.

Mr. Ted Arnott: I see in your document here that your current facility has 18 beds, but you said that you have 25 people there.

Ms. Liz Brown: That's correct.

Mr. Ted Arnott: How do you possibly house 25 people with 18 beds?

Ms. Liz Brown: Well, we have three pullout couches and we have cots. We never say no. This is unusual. Different shelters have different practices about this. We know how much it takes for a woman to get to the door, so we are never full. If a woman calls today, we have room. We will make room. Other women will offer to go to another shelter for a temporary period of time to make room for a woman and her family.

We've gone as high as 27. It's not dignified. It's not facilitative of healing. It does keep people on the—

Mr. Ted Arnott: But at least people are safe.

Ms. Liz Brown: Yes.

Mr. Ted Arnott: Well, you certainly live your passion, and we appreciate the work that you do.

Ms. Liz Brown: Thank you.

The Chair (Ms. Soo Wong): Thank you very much, Ms. Brown, on behalf of the committee. Thank you also for your written submission.

Ms. Liz Brown: You're welcome.

The Chair (Ms. Soo Wong): Committee, I think this was the last presentation, so I'm going to adjourn the committee to Toronto tomorrow. Thank you.

The committee adjourned at 1600.

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